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ABSTRACT

This study examined the institutional satisfaction of approximately 2,250 institutions of higher education participating in the Federal Direct Loan and Federal Family Education Loan (FFEL) programs during the 1997-1998 academic year. Among major findings were: (1) both Direct Loan and FFEL institutions were satisfied with their loan programs, although FFEL institutions indicated a significantly higher level of overall satisfaction; (2) between 1996-1997 and 1997-1998 the proportion of satisfied Direct Loan schools increased from 64 percent to 71 percent; (3) between 1996-1997 and 1997-1998 satisfaction among FFEL schools increased from 83 percent to 84 percent; (4) schools participating fully in Direct Loan programs were more satisfied than schools phasing in the program, and schools participating fully in the FFEL program were more satisfied than were schools that participated in both programs; and (5) both Direct Loan and FFEL institutions reported similar levels of satisfaction in 1997-1998 compared to 1996-1997 in regard to the timeliness and usefulness of Department of Education information and support. Technical appendixes include detailed tables, data on the distribution of responses and response rates, item response frequencies, specifics of the survey methodology, and the two surveys. (MDM)

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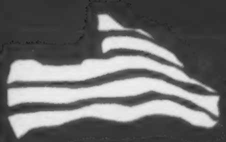
Survey of Institutions Participating in the Federal Direct Loan and Federal Family Education Loan Programs:

Academic Year 1997-98



HE 032 131

Volume One
Summary Report
1999

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Evaluation of the Federal Direct Loan Program

A Survey of Institutions Participating in the Federal Direct Loan and Federal Family Education Loan Programs: Academic Year 1997-98

Volume One—Summary Report

Contract No. EA93085001

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1999

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The cooperation of more than 2,200 institutions participating in the Federal Direct Loan and Federal Family Education Loan Programs enabled a thorough description of their experiences with the loan programs. This report would not have been possible without the time and effort contributed by financial aid administrators at the selected institutions.

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Highlights

Annual customer satisfaction surveys of institutions are one component of an overall evaluation of the Federal Direct Loan Program conducted by Macro International Inc. under contract to the U.S. Department of Education (ED). These surveys are designed to determine the level of institutional satisfaction with the Federal Direct Loan and Federal Family Education Loan (FFEL) Programs.

This report is based on nationally representative samples of FFEL schools and schools that began participating in the Direct Loan Program during the 1994-95, 1995-96, 1996-97, and 1997-98 academic years. Approximately 2,250 institutions completed surveys between late January and early May of 1998, for an overall response rate of 86 percent. The same sample responded to our 1995, 1996, and 1997 surveys, and selected comparative findings are presented in this report.[1]

Objective

The objective of this survey is to provide comparisons of institutional satisfaction and experiences with each program, including reported

- Quality and ease of loan program administration
- Satisfaction with the communications and support from the Department of Education and other service providers (i.e., lenders and guaranty agencies).

Differences in institutional experiences were also examined over time and by several key institutional characteristics.[2]

Findings

Overall Satisfaction

As shown in Exhibit H.1, during the 1997-98 academic year, both Direct Loan and FFEL institutions were generally satisfied with their respective programs; with a full 81 percent of institutions expressing satisfaction, 14 percent reporting neutral feelings, and only 5 percent expressing any dissatisfaction.[3] This represents a statistically significant increase in satisfaction from the previous academic year, where 78 percent of institutions expressed satisfaction with their loan program, 16 percent were neutral, and 6 percent of institutions reported any dissatisfaction.

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[1] For graphical presentations in the highlights, the corresponding 1997-98 Institutional Survey questions are indicated in parentheses.

[2] Whenever comparative findings are presented in the text, only statistically significant differences are discussed. If an insignificant difference is mentioned, the reader will be alerted that the difference is not statistically significant.

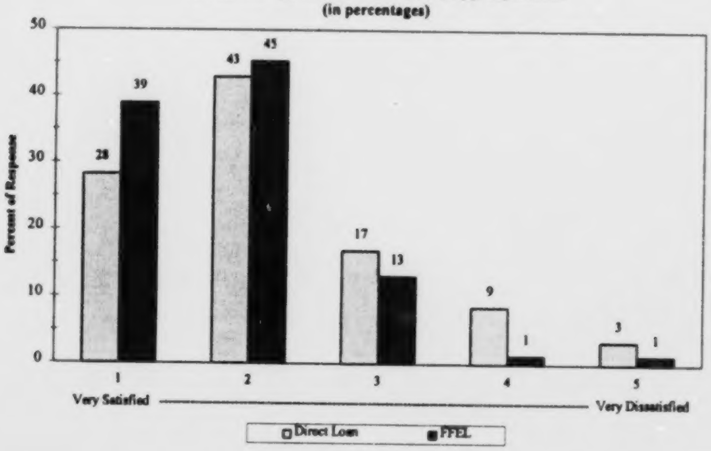
[3] For the purposes of this report, the term "satisfied" refers to institutions that expressed their satisfaction as 1 or 2 on a scale of 1 to 5, while the term "dissatisfied" refers to institutions that expressed their satisfaction as 4 or 5, where 1 meant "very satisfied" and 5 meant "very dissatisfied."

Exhibit H.1
Overall Program Satisfaction—
All Institutions, Academic Years 1996-97 and 1997-98
(in percentages)

Level of Satisfaction	All Institutions	
	Academic Year 1996-97	Academic Year 1997-98
Satisfied	78	81
Neutral	16	14
Dissatisfied	6	5

However, as shown in Figure H1, FFEL institutions reported a significantly higher level of overall satisfaction that Direct Loan institutions did (84% for FFEL schools versus 71% for Direct Loan schools). The difference in satisfaction between the loan programs appears to have been influenced by at least two things. First, FFEL schools were more likely than Direct Loan schools to have reported that they were "very satisfied" with their loan program (39% versus 28%). Second, as shown in Figure H2, schools in their second and third year of Direct Loan participation were more likely to have reported lower levels of satisfaction (71% of both second-year and third-year schools)[4] than first-year schools were (83%).[5]

Figure H1
Overall Satisfaction with Loan Program
Direct Loan (Q. K2) Schools and FFEL (Q. E2) Schools
(in percentages)



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[4] Because of errors induced by rounding, the summing together of numbers in the tables in the Appendix may not always add up to the exact value given in the text.

[5] First-year Direct Loan schools are those that entered the Direct Loan Program during the 1994-95 academic year, second-year Direct Loan schools are those that entered the Direct Loan Program during the 1995-96 academic year, and third-year Direct Loan schools are those that entered the Direct Loan Program during the 1996-97 academic year.

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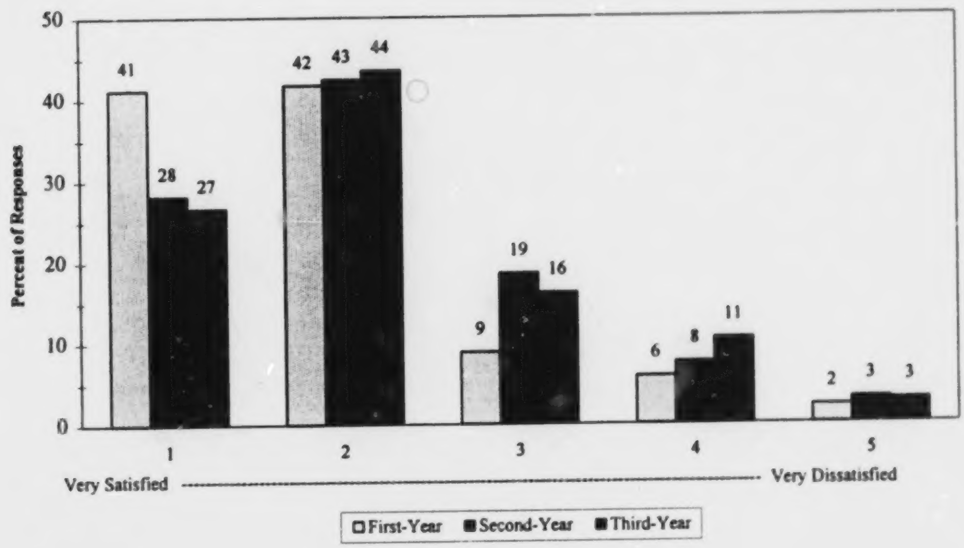
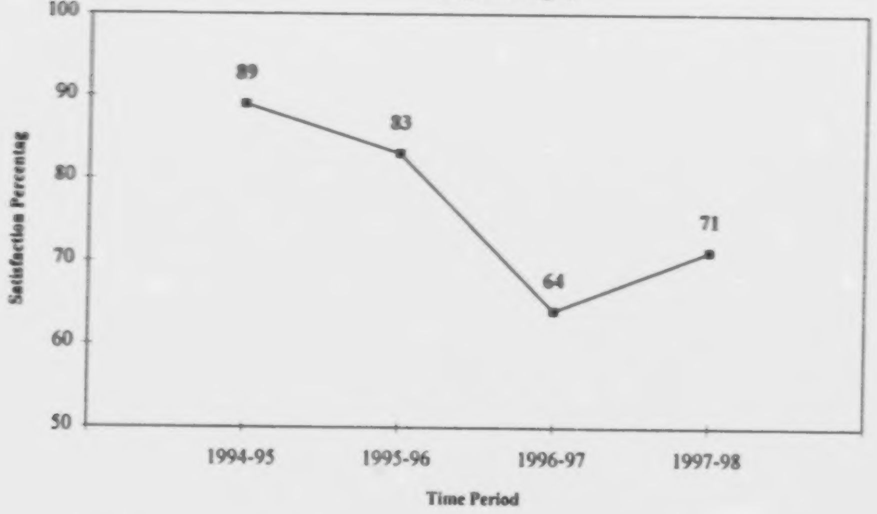
Figure H2
Overall Satisfaction with Loan Program
Direct Loan Schools (Q. K2)
(in percentages)



When comparing the 1997 and 1998 surveys, the proportion of satisfied Direct Loan schools increased significantly, from 64 percent during the 1996-97 academic year to 71 percent during the 1997-98 academic year. This increase in satisfaction was confirmed by the responses to the relative-satisfaction question in the 1998 survey. That is, when Direct Loan schools were asked how this year's satisfaction compared to last year's, first-year, second-year, and third-year schools indicated that on balance, they were more satisfied this year.

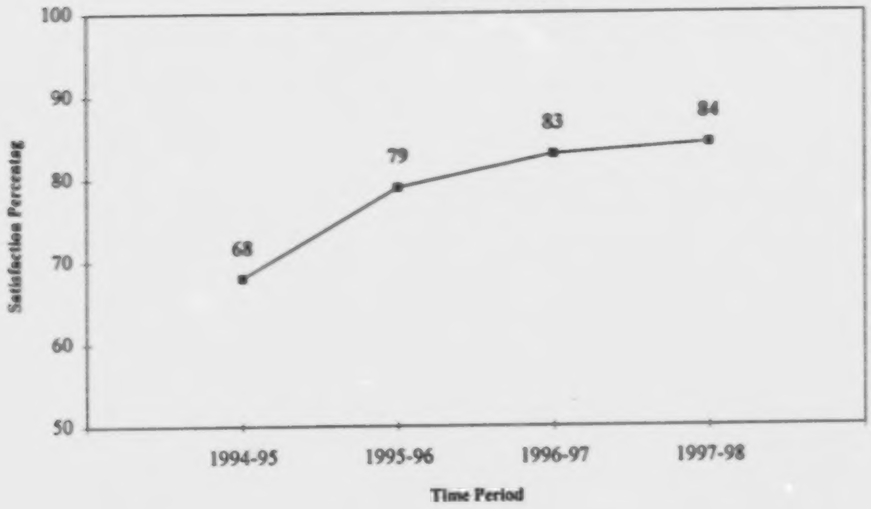
This recent increase in satisfaction among Direct Loan schools (from 64% during the 1996-97 academic year to 71% during the 1997-98 academic year) reverses a decline in satisfaction that began during the 1995-96 academic year. As shown in Figure H3, over that 4-year period, satisfaction among Direct Loan schools fell from a high of 89 percent in 1994-95 to 83 percent in 1995-96, and it continued to decline, to 64 percent in 1996-97, before increasing to 71 percent during academic year 1997-98.

Figure H3
Direct Loan Institutional Satisfaction from
Academic Years 1994-95 to 1997-98
(in percentages)



Among the FFEL schools, satisfaction increased slightly, from 83 percent in 1996-97 to 84 percent in 1997-98, although the increase was not statistically significant. However (as shown in Figure H4), since the introduction of Direct Loans, satisfaction has continued to increase among FFEL schools, increasing from 68 percent during the 1994-95 academic year to 79 percent in 1995-96, and then to 83 percent in 1996-97, before rising to 84 percent in 1997-98. As with the Direct Loan schools, the change in satisfaction over the last 2 years was confirmed by their responses to the relative-satisfaction question—where, on balance, FFEL institutions indicated that satisfaction had increased between the 1996-97 academic year and the 1997-98 academic year.

Figure H4
FFEL Institutional Satisfaction from Academic Years 1994-95 to 1997-98 (in percentages)



Among all institutions, there was a statistically significantly 3 percent increase in satisfaction between academic years 1996-97 and 1997-98. Specifically, 81 percent were satisfied with the loan programs during the 1997-98 academic year, compared to 78 percent in 1996-97, 80 percent in 1995-96, and 68 percent in 1994-95.

During the 1997-98 academic year, 73 percent of Direct Loan institutions participated fully in the Direct Loan Program, originating Direct Loans exclusively. A smaller group, 27 percent, also originated loans in the FFEL Program. As shown in Exhibit H.2, those schools participating fully in the Direct Loan Program were more satisfied with the Direct Loan Program than those schools phasing in the program were (81% versus 51%). In a similar manner, schools participating fully in the FFEL Program were more satisfied with the FFEL Program than schools participating in both programs were (84% versus 72%). However, when overall satisfaction levels were compared among those schools participating exclusively in either the Direct Loan or FFEL Program, the differences in satisfaction narrowed significantly. For example, while the difference in satisfaction among all schools was 13 percentage points (84% for FFEL vs. 71% for Direct Loan), the difference in satisfaction for schools participating in only one of the loan programs was only 3 percentage points (84% for FFEL vs. 81% for Direct Loan).

Exhibit H.2
Overall Program Satisfaction—
Direct Loan (Q. K2) and FFEL (Q. E2) Institutions,
by Level of Participation
(in percentages)

Level of Satisfaction	FFEL Satisfaction		DL Satisfaction	
	100% (%)	Mixed (%)	100% (%)	Mixed (%)
Very Satisfied	39	33	34	16
2	45	39	47	35
3	13	22	13	26
4	1	5	5	17
Very Dissatisfied	1	0	2	6

Administration of the Loan Programs

During the 1997-98 academic year, both Direct Loan and FFEL institutions reported that loan administration required a moderate amount of work or effort. Furthermore, there were no differences between Direct Loan and FFEL schools in the level of administrative effort, although among the Direct Loan schools, first-year schools expended less effort than both second- and third-year schools. However, as shown in Exhibit H.3, since the introduction of Direct Loans during the 1994-95 academic year, the percentage of Direct Loan schools reporting that their program was easy to administer has declined every year, while the percentage of FFEL schools reporting that their program was easy to administer has increased every year.

Exhibit H.3
Level of Effort Associated With Loan Program Administration—
Direct Loan (Q. I2) and FFEL (Q. C2) Institutions
(Percentage of institutions rating activities as easy)

Level of Effort	Direct Loan Institutions				FFEL Institutions			
	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)
Very or Relatively Easy	61	60	48	47	29	36	41	45

Since the Direct Loan Program began in 1994-95, Direct Loan institutions have become less satisfied with reconciliation/financial monitoring, reporting and recordkeeping, and reporting of student information. However, FFEL schools have become more satisfied since the introduction of the Direct Loan Program with keeping up with regulations, answering general questions about loans and financial aid, counseling borrowers while in school, processing loan applications, requesting and receiving loan funds, disbursing loan funds, refunding excess loans to students, performing reconciliation/financial monitoring and reporting, and assisting out-of-school borrowers—findings suggesting that competition between the loan programs has improved the FFEL Program.

When Direct Loan schools were asked to indicate the overall level of change in workload due to the implementation of the Direct Loan Program, 54 percent indicated that their overall workload had increased, 31 percent said there had been no change, and 14 percent said that their workload had decreased. The administrative functions most frequently cited by schools as increasing the institutional workload were reconciliation (reported by 72% of Direct Loan schools), training financial-aid staff (62%), cash management (58%), creating and transmitting origination records (54%), recordkeeping and reporting (53%), and processing promissory notes (52%).

Information and Support From the Department of Education, the Loan Origination Center, Servicers, Lenders, and Guaranty Agencies

During the 1997-98 academic year, Direct Loan schools were generally satisfied with the materials and training provided by the Department of Education, although they felt that the materials and training provided were more useful than timely. However, FFEL schools rated the materials and training provided by both lenders and guaranty agencies as more timely and useful than those received from the Department of Education. When the responses from the Direct Loan and FFEL schools were compared for the Department of Education-provided materials and training common to both programs, Direct Loan schools were significantly more likely to rate the materials and training received as both useful and timely.

When compared with the previous academic year, there was no change in the satisfaction levels of Direct Loan institutions in 1997-98 in terms of the timeliness and usefulness of ED-provided materials and training. In contrast, FFEL institutions experienced an increase in satisfaction with ED-provided materials and training. Compared with the 1996-97 academic year, FFEL schools reported greater satisfaction with the timeliness and usefulness of ED's telephone support, borrower counseling materials, training sessions, and software, as well as with the timeliness of ED's information on FFEL program rules and regulations.

When both Direct Loan and FFEL schools were asked about their satisfaction with servicer communications concerning loan repayment and consolidation, FFEL schools were significantly more satisfied than Direct Loan schools. For example, 74 percent of FFEL schools expressed satisfaction regarding loan repayment communications, compared to 62 percent of Direct Loan schools. Regarding both in-school and out-of-school consolidation, 60 percent of FFEL schools were satisfied with communications from their servicer, compared to 48 and 44 percent of Direct Loan schools, respectively.

During the 1997-98 academic year, Direct Loan schools were generally satisfied with their contacts with the Department of Education's Regional Offices. When asked to rate the timeliness and usefulness of their contact with the Regional Offices, the schools felt that the assistance was slightly more useful than timely. The most useful types of contact were requests for ED-provided material (80%), handling questions regarding Direct Loan Policy (79%), the training received at the Regional Office (79%), and the training and guidance delivered by account managers at institutions (79%). The least useful types of contact were reconciliation issues (62%), questions and issues regarding computer systems design or implementation (64%), and questions and issues regarding disbursement and/or refunding excess funds to borrowers (68%).

Status and Changes in Loan Program Participation

When mixed-program schools were asked about their plans for continued participation in both the Direct Loan and FFEL Programs, it turned out that most institutions are not simply continuing to offer FFEL loans while transitioning into the Direct Loan program; rather, they see administering both programs as a permanent arrangement. In fact, a majority of mixed-program schools (62%) reported that they planned to continue to originate FFEL Staffords and FFEL PLUS loans, while only 12 percent reported that they planned to switch exclusively to Direct Loans at some point in the future. The remainder of institutions reported that they did not know or were not sure about their future plans for dual participation (15%), planned to continue to originate FFEL Staffords (7%), or planned to continue to originate FFEL PLUS (4%).

Introduction

Purpose

Annual customer satisfaction surveys of institutions participating in the Title IV loan programs are one component of an overall evaluation of the Federal Direct Loan Program conducted by Macro International Inc. under contract to the U.S. Department of Education (ED). These surveys are designed to determine the level of institutional satisfaction with the Federal Direct Loan and Federal Family Education Loan (FFEL) Programs. The objective of this survey is to provide comparisons of institutional satisfaction and experiences with each program, including

- Overall quality and perceived ease of loan program administration
- Satisfaction with communications and support from the Department of Education and other service providers (i.e., lenders and guaranty agencies).

In addition to the above areas of investigation, changes in institutional experiences with aspects of loan program administration were reviewed over time for both Direct Loan and FFEL. This was accomplished by comparing the responses of institutions participating in our 1995, 1996, and 1997 surveys with the responses to our 1998 institutional survey.

Institutional Characteristics

Differences were also examined by several key institutional characteristics to determine whether they were related to overall institutional satisfaction. In addition to program participation (Direct Loan or FFEL), differences in satisfaction for all schools were examined by

- Institutional type and control
- Loan volume
- Financial-aid office structure
- Computer system
- Exclusive or mixed-program participation
- Software configuration.

For Direct Loan institutions, differences in satisfaction were also examined by

- Cohort level
- Origination level
- Length of delay of origination
- Regional Office
- Extent of Regional Office interaction.

Similarly, for FFEL institutions, differences in satisfaction were also examined by

- Decisions regarding participation in the Direct Loan Program
- Number of lenders
- Number of guaranty agencies
- Current use of EFT.

Data Collection and Response Rates

The 1998 institutional survey was conducted by using a mail survey methodology with computer-assisted telephone interviewing (CATI) followup. Data collection for the survey began on January 20, 1998, and continued through May 1, 1998. Extensive telephone, mail, fax, and e-mail followup procedures were implemented in an effort to achieve the highest possible response rate.

The overall survey response rate was 86 percent, based on 2,256 responses from 2,611 eligible institutions. The response rate was 88 percent for FFEL schools, 83 percent for Direct Loan schools, 88 percent for first-year Direct Loan schools, 83 percent for second-year Direct Loan schools, 77 percent for third-year Direct Loan schools, and 80 percent for fourth-year Direct Loan schools.[1] Tables detailing the initial and responding sample percentages and counts, as well as response rates by institutional type and control and institutional size, are included in Technical Appendix A in Volume Two.

Survey Analysis

Cross-tabs for the survey data were produced by means of the Statistical Analysis System (SAS); significance tests were conducted by means of WesVar.[2] Whenever comparative findings for the Direct Loan and FFEL Programs are presented, tests for programmatic differences were done at the 5 percent level of significance *after* controlling for differences in both type and control and size among institutions participating in the two programs. As a result, any observed differences can be attributed to actual programmatic differences rather than differences in the composition of schools participating in the two programs. However, whenever within-program comparisons are made (e.g., among the cohorts of Direct Loan schools), differences in both type and control and size were not controlled for.[3] For the interested reader, a complete description of the data processing and analysis can be found in the Survey Methodology section of the Technical Appendices in Volume Two.[4]

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[1] Throughout both volumes of the report, first-year Direct Loan schools are those that entered the Direct Loan Program in 1994-95, second-year Direct Loan schools are those that entered the Direct Loan Program in 1995-96, third-year Direct Loan schools are those that entered the Direct Loan Program in 1996-97, and fourth-year Direct Loan schools are those that entered the Direct Loan Program in 1997-98.

[2] WesVar was used instead of SAS because the former automatically takes into account the sampling design and survey weights.

[3] Wherever comparative findings are presented in the text, only statistically significant differences are discussed. If an insignificant difference *is* mentioned, the reader will be alerted that the difference was not statistically significant.

The Technical Appendices in Volume Two also include

- All weighted cross-tabs referenced in Volume One, Appendix B
- Weighted frequencies questionnaire, Appendix C
- Unweighted frequencies questionnaire, Appendix D
- A detailed description of the data collection methodology, Appendix E.

This volume of the report summarizes the findings of the 1998 survey. The weighted cross-tabs discussed in this analysis are also presented in the appendix to Volume One.

Composition of Key Groups

To help provide some context for the analytical results that follow, the composition of key groups in our sample is presented here in tabular form.[5] The groups are defined by loan program participation, Direct Loan cohort, institutional type and control, and exclusive versus mixed program participation. Understanding the composition of these groups is essential to interpreting the study findings.

In the 1997-98 survey, 73 percent (N=1650) of responding institutions originated FFEL loans and 27 percent (N=606) originated Direct Loans.

Among the Direct Loan schools, most institutions were second-year schools. The cohort composition in the responding sample was as follows:

Exhibit Intro. A
Cohort Composition for Direct Loan Institutions—
Academic Year 1997-1998

Participation in the Direct Loan Program			
1st Yr.	2nd Yr.	3rd Yr.	4th Yr.
15 %	70 %	12 %	3 %
N=89	N=422	N=75	N=20

---

[4] Although previous reports have included a section on implementation issues for the newest cohort of Direct Loan schools (the fourth-year schools), in our sample there were fewer than the 30 required to produce statistically robust estimates. As a result, cohort-specific responses for this group of schools are not presented in our reports.

[5] The group composition information presented here represents the unweighted counts.

Among all institutions as well as among FFEL institutions, the distribution of responding schools in our sample (from largest to smallest) by type and control was as follows: 4-year public, 2-year public, 4-year private, proprietary, and 2-year private institutions. Among Direct Loan institutions there was a slightly different distribution, comprising more proprietary schools. The distribution of responding Direct Loan schools in our sample was 4-year public, proprietary, 4-year private, 2-year public, and 2-year private institutions.[6]

Exhibit Intro. B
Responding Institutions by Type and Control—
Academic Year 1997-1998

Program Participation	Type and Control									
	4-Year Public		2-Year Public		4-Year Private		2-Year Private		Proprietary	
	(%)	(N)	(%)	(N)	(%)	(N)	(%)	(N)	(%)	(N)
Direct Loan	34 %	207	15 %	92	21 %	127	3 %	18	27 %	162
FFEL	18 %	291	27 %	448	29 %	472	12 %	195	15 %	224
All	22 %	498	24 %	540	27 %	599	9 %	213	18 %	406

Our final classification of schools contains those that originated loans exclusively in one program and those that actively originated loans in both programs during the 1997-98 academic year. The latter group of institutions is referred to as the "mixed-program" schools. The composition of these schools in the responding sample was as follows:

Exhibit Intro. C
Composition of Program Participation
Mixed Program v. Exclusive Participation—
Academic Year 1997-1998

	Program Composition					
	FFEL Only		Direct Loan Only		Mixed Program	
Institution	(%)	(N)	(%)	(N)	(%)	(N)
Direct Loan	NA	NA	73%	440	27%	166
FFEL	91%	1650	NA	NA	9%	166
All	73%	1650	20%	440	7%	166

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[6] Since only 18 of the 2-year private Direct Loan colleges in our sample responded to our survey, we were unable to present the results of any statistical comparisons with this group due to small sample properties.

Overall Satisfaction With the Federal Student Loan Programs

Current Satisfaction

As shown in Exhibit 1.A, during the 1997-98 academic year, both Direct Loan and FFEL institutions were generally satisfied with their respective programs; with a full 81 percent of institutions expressing satisfaction, 14 percent reporting neutral feelings, and only 5 percent expressing any dissatisfaction.[7] This represents a statistically significant increase in satisfaction from the previous academic year, where 78 percent of institutions expressed satisfaction with their loan program, 16 percent were neutral, and 6 percent of institutions reported any dissatisfaction.

Exhibit 1.A
Overall Program Satisfaction—
All Institutions, Academic Years 1996-97 and 1997-98
(in percentages)

Level of Satisfaction	All Institutions	
	Academic Year 1996-97	Academic Year 1997-98
Satisfied	78	81
Neutral	16	14
Dissatisfied	6	5

However, as shown in Figure 1, FFEL institutions reported a significantly higher level of overall satisfaction that Direct Loan institutions did (84% for FFEL schools versus 71% for Direct Loan schools). The difference in satisfaction between the loan programs appears to have been influenced by at least two things. First, FFEL schools were more likely than Direct Loan schools to have reported that they were "very satisfied" with their loan program (39% versus 28%). Second, as shown in Figure 2, schools in their second and third year of Direct Loan participation were more likely to have reported lower levels of satisfaction (71% of both second-year and third-year schools)[8] than first-year schools were (83%).[9]

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[7] For the purposes of this report, the term "satisfied" refers to institutions that expressed their satisfaction as 1 or 2 on a scale of 1 to 5, while the term "dissatisfied" refers to institutions that expressed their satisfaction as 4 or 5, where 1 meant "very satisfied" and 5 meant "very dissatisfied."

[8] Because of errors induced by rounding, the summing together of numbers in the tables in the Appendix may not always add up to the exact value given in the text.

[9] First-year Direct Loan schools are those that entered the Direct Loan Program during the 1994-95 academic year, second-year Direct Loan schools are those that entered the Direct Loan Program during the 1995-96 academic year, and third-year Direct Loan schools are those that entered the Direct Loan Program during the 1996-97 academic year.

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Figure 1
Overall Satisfaction with Loan Program
Direct Loan Schools and FFEL Schools
(in percentages)

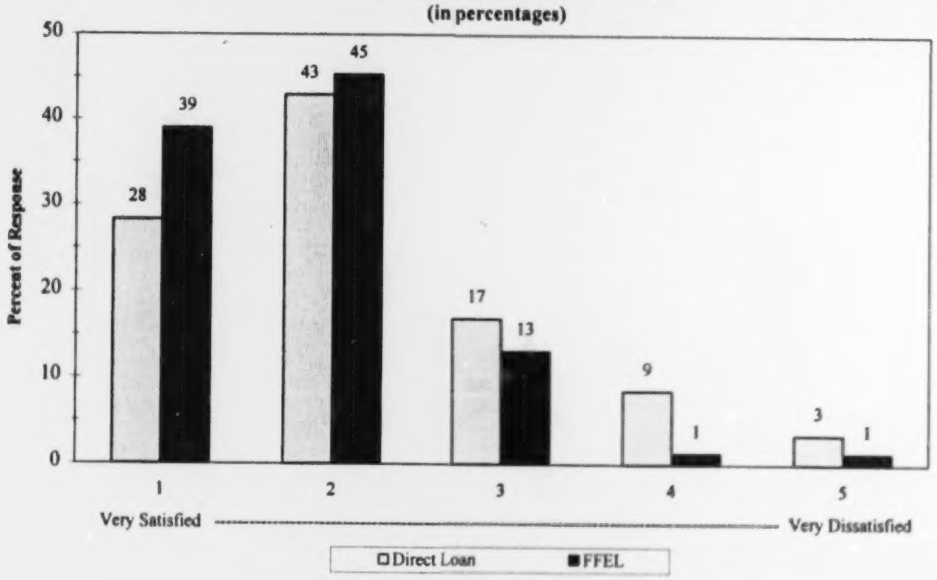
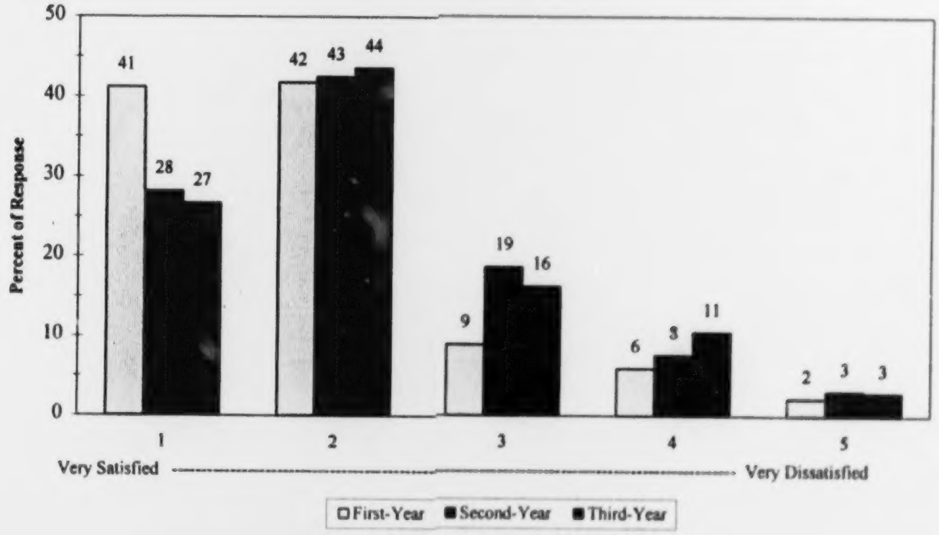


Figure 2
Overall Satisfaction with Loan Program
Direct Loan Schools
(in percentages)



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Current Level of Satisfaction, by Selected Institutional Characteristics

In addition to examining institutional satisfaction levels by both program and cohort, differences in overall satisfaction were also examined by several key institutional characteristics. Among all schools, there were no differences in satisfaction by loan volume, but there were differences by financial-aid office structure, type of computer system used, and institutional type and control. Specifically, schools with a single financial-aid office serving a single campus, branch, or school were more satisfied than schools with a separate financial-aid office serving each campus, branch, or school within the institution (details in Table 1-2). In terms of the computer system used to administer financial aid, schools with a mainframe-to-personal-computer with an interface were more satisfied than schools using a personal computer only (details in Table 1-3). Finally, as shown in Exhibit 1.B (and Table 1-4), both 4-year public and 4-year private institutions were more satisfied than proprietary schools were.

Exhibit 1.B
Overall Satisfaction for All Institutions—
Direct Loan and FFEL Programs
(in percentages)

	Direct Loan and FFEL Institutions				
	Institutional Type and Control				
Level of Satisfaction	4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Very Satisfied	39	33	37	38	36
2	45	48	48	42	40
3	12	17	12	16	15
4	3	2	2	3	5
Very Dissatisfied	1	1	1	1	4

Among FFEL institutions, there were no differences in overall satisfaction by loan volume, financial-aid office structure, number of guaranty agencies used, and use of electronic funds transfer. However, there were differences by type and control, type of computer system used, software configuration used to process loans, number of lenders used, and plans for participation in the Direct Loan Program. For example, both 4-year public and 4-year private institutions were more satisfied than proprietary schools, and 4-year private institutions were also more satisfied than 2-year public schools (details in Table 1-5). In terms of the computer system used to administer financial aid, schools with a mainframe-to-personal-computer with an interface were more satisfied than schools using a personal computer only (details in Table 1-6), and schools using guaranty-agency software were more satisfied than those using software developed in house (details in Table 1-7).[10] In addition, institutions dealing with between 11 and 20 lenders were more satisfied than those dealing with only one or two lenders (details in Table 1-8). Finally, institutions participating in both loan programs were significantly less satisfied than FFEL institutions with no plans to apply for Direct Loan participation (details in Table 1-9).

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[10] Since some schools reported using more than one type of software at their institution, the statistical comparison presented in this report is based on the responses of institutions that only used one type of software to process loans.

Among Direct Loan institutions, there were no reported differences in overall satisfaction by loan volume, type of computer system used, software configuration, Regional Office used, length of delay of origination, and extent of contact with the Regional Office, although differences did exist by type and control, cohort, level of origination, and financial-aid office structure. For example, 4-year public institutions were more satisfied than 4-year private institutions (details in Table 1-5), and first-year schools were more satisfied than second-year schools. In addition, option 2 schools, which are full originators, were more satisfied than option 1 schools (Table 1-10). Finally, schools with a single financial-aid office serving a single campus, branch, or school were more satisfied than schools with a separate financial-aid office serving each campus, branch, or school within the institution (details in Table 1-11).

Current Satisfaction Compared to Previous Satisfaction

In a comparison of the 1996-97 and the 1997-98 results, the proportion of satisfied Direct Loan schools increased significantly, from 64 percent during the 1996-97 academic year to 71 percent during the 1997-98 academic year (see Figure 3 and Table 1-12).[11] This increase in satisfaction was confirmed by the responses to the relative-satisfaction question in the 1996-97 academic year survey. As shown in Exhibit 1.C (and Table 1-13), when Direct Loan schools were asked how this year's satisfaction compared to last year's, first-year, second-year, and third-year schools indicated that on balance, they were slightly more satisfied this year than they had been during the 1996-97 academic year.

Exhibit 1.C
Current Versus Prior Satisfaction,
by Loan Program
(in percentages)

Level of Satisfaction	Loan Program Participation		
	DL (%)	FFEL (%)	All (%)
Increased	34	25	27
Remained the Same	51	73	68
Decreased	15	3	6

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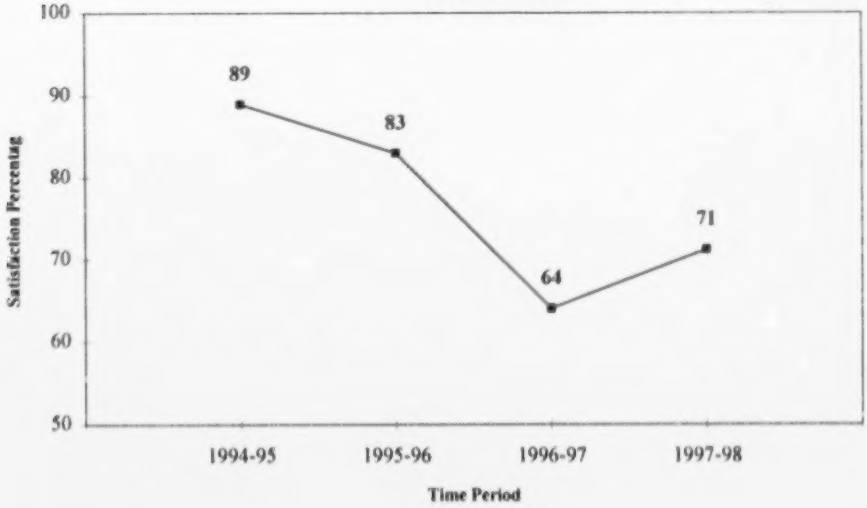
[11] Because the weights developed for our longitudinal analysis differ slightly from the weights developed for each of the survey years, the numbers presented in this table and others may differ slightly from the numbers presented for the 1997-98 academic year.

As shown in Figure 3, the recent increase in satisfaction among Direct Loan schools (from 64 percent during the 1996-97 academic year to 71 percent during the 1997-98 academic year) reverses a decline in satisfaction that begin during the 1995-96 academic year. Over this four-year period, satisfaction among Direct Loan schools fell from a high of 89 percent in 1994-95 to 83 percent in 1995-96, and it continued to decline, to 64 percent in 1996-97, before increasing to 71 percent in 1997-98 (details in Table 1-12).

Figure 3
Direct Loan Institutional Satisfaction from Academic Years 1994-95 to 1997-98
(in percentages)

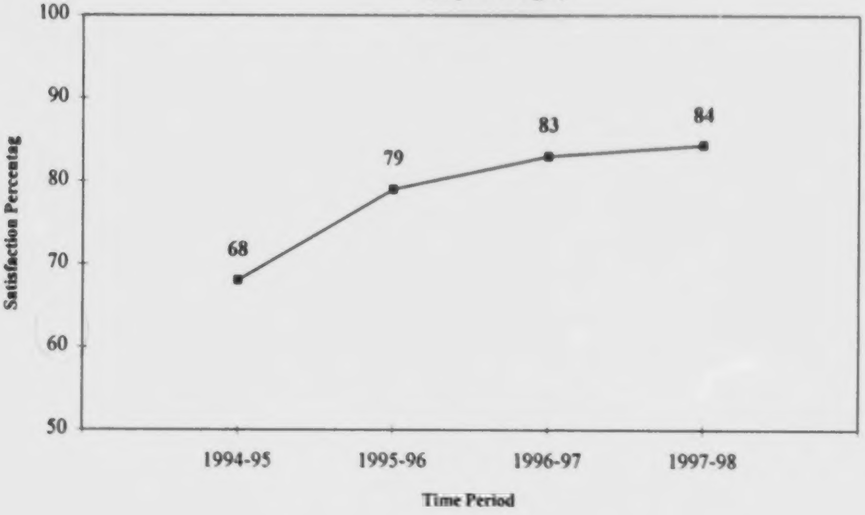


Over this time period, there were significant differences in the satisfaction levels of the various Direct Loan cohorts. As described in previous reports, among the 104 first-year institutions, satisfaction declined from 88 percent during the 1995-96 academic year to 74 percent during the 1996-97 academic year; among the second-year institutions, satisfaction declined significantly, from 83 percent in 1995-96 to 60 percent in 1996-97, before increasing significantly to 71 percent in 1997-98 (details in Table 1-12).

Among the FFEL schools, satisfaction increased slightly, from 83 percent in 1996-97 to 84 percent in 1997-98, although the increase was not statistically significant (details in Table 1-12). However, as shown in Figure 4, since the introduction of Direct Loans, satisfaction has continued to increase among FFEL schools, increasing from 68 percent during the 1994-95 academic year to 79 percent in 1995-96, and then to 83 percent in 1996-97, before rising to 84 percent in 1997-98. As with the Direct Loan schools, the change in satisfaction over the last 2 years was confirmed by their responses to the relative-satisfaction question—where, on balance, FFEL institutions indicated that satisfaction had increased between the 1996-97 academic year and the 1997-98 academic year.

Among all institutions, there was a statistically significant 3 percent increase in satisfaction between academic years 1996-97 and 1997-98. Specifically, 81 percent were satisfied with the loan programs during the 1997-98 academic year, compared to 78 percent in 1996-97, 80 percent in 1995-96, and 68 percent in 1994-95 (details in Table 1-12).

Figure 4
FFEL Institutional Satisfaction from Academic Years 1994-95 to 1997-98 (in percentages)



Satisfaction of Schools That Originate Loans in Both Programs

During the 1997-98 academic year, 73 percent of Direct Loan institutions participated fully in the Direct Loan Program, originating Direct Loans exclusively. A smaller group, 27 percent, also originated loans in the FFEL Program.

Among institutions participating in both programs, significant differences were observed between FFEL and Direct Loan satisfaction. As shown in Exhibit 1.D (and Table 1-14), overall satisfaction levels for schools actively participating in both loan programs remains significantly below the levels associated with schools participating in just one of the programs. For example, among schools actively participating in both loan programs, 51 percent expressed satisfaction with the Direct Loan Program, while 81 percent of those schools fully participating in the Direct Loan Program expressed their satisfaction. Similarly, while 72 percent of the schools participating in both loan programs expressed their overall satisfaction with the FFEL Program, 84 percent of schools participating in just the FFEL Program expressed their overall satisfaction. When the satisfaction levels for these schools were compared across programs, schools were more satisfied with the FFEL Program (72%) than with the Direct Loan Program (51%). However, when overall satisfaction levels were compared among those schools participating exclusively in either the Direct Loan or FFEL Program, the differences in satisfaction narrowed significantly. For example, while the difference in satisfaction among all schools was 13 percentage points (84% for FFEL vs. 71% for Direct Loan), the difference in satisfaction for schools participating in only one of the loan programs was only 3 percentage points (84% for FFEL vs. 81% for Direct Loan).

Exhibit 1.D
Overall Program Satisfaction—
Direct Loan and FFEL Institutions
by Level of Participation

Level of Satisfaction	FFEL Satisfaction 100% (%)	FFEL Satisfaction Mixed (%)	DL Satisfaction 100% (%)	DL Satisfaction Mixed (%)
Very Satisfied	39	33	34	16
2	45	39	47	35
3	13	22	13	26
4	1	5	5	17
Very Dissatisfied	1	0	2	6

When compared with the responses from schools that participated in both loan programs during the 1996-97 academic year, this year's findings were strikingly similar. In fact, there were no significant changes in the satisfaction levels of these schools in regard to the Direct Loan Program, whereby last year 48 percent expressed satisfaction (compared to 51% this year). However, there was a small but significant increase in the satisfaction level of these schools in regard to the FFEL Program, whereby this year 72 percent expressed satisfaction, compared to 68 percent last year (details in Table 1-14).

When schools participating in both loan programs were asked whether there had been any changes in the administration of the FFEL Program since the introduction of the Direct Loan Program, on balance schools indicated that students' access to loans, the ease of administering the FFEL Program, service from banks and guaranty agencies, service from loan servicers and collection agencies, and service from third-party or privately contracted servicers had improved (details in Table 1-15). In fact, less than 2 percent of the respondents to the above questions indicated that conditions had worsened, while between 28 and 66 percent of respondents reported that these areas had improved (the rest of the respondents indicated that conditions had stayed the same).

When compared with the responses from schools participating in both loan programs during the 1996-97 academic year, significant improvements have been reported in students' access to loans and in the service from banks and guaranty agencies. For example, the percentage of respondents who indicated that access to loans had improved jumped from 23 percent to

36 percent, while the percentage of respondents who indicated that service from banks and guaranty agencies had improved increased from 57 to 66 percent (details in Table 1-15).

Important Characteristics of the Loan Programs

When institutions were asked to agree or disagree with statements that might characterize their loan program, the most frequently agreed upon characteristic was that the flexibility of loan repayment options is beneficial to borrowers (95%), followed closely by the ability to serve borrowers better (94%), the predictability of loan funds (91%), and the utilization of advanced technologies in their loan program (91%). The characteristics agreed upon the least were the simplicity of administration (74%), the cost-effectiveness of the program (84%), and the security of the program (84%) (details in Table 1-16).[12]

In a comparison of the characteristics of their loan programs, Direct Loan schools were more likely than FFEL schools to list the flexibility of loan repayment options as a characteristic of their loan program (97% versus 94%), while FFEL schools were more likely than Direct Loan schools to list the following as characteristics of their loan program (details in Tables 1-17 and 1-18):

- Ability to serve borrowers well (96% versus 88%)
- Simplicity of administration (76% versus 65%)
- Viability of the program (89% versus 69%)
- Predictability of loan funds (93% versus 86%)
- Cost-effective administration of the program (87% versus 73%).

Among the three cohorts of Direct Loan schools, first-year schools were significantly more likely than second-year schools to list many of the characteristics as features of the Direct Loan Program (details in Table 1-17).

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[12] Although a variant of this question was asked in previous surveys, the wording this year was sufficiently different so that intertemporal comparisons for this question are not possible.

Administration of the Loan Programs

Institutional Satisfaction With Loan Program Administration

During the 1997-98 academic year, both Direct Loan and FFEL institutions reported that loan program administration on their campus required a moderate amount of work or effort (details in Table 2-1). Although there were no differences in effort reported between Direct Loan and FFEL schools, there were significant differences by type and control. For example, among Direct Loan schools, 4-year institutions and proprietary schools expended less effort than 2-year public colleges, while from a cohort perspective, first-year schools expended less effort than both second- and third-year schools in administering the Direct Loan Program. In the FFEL Program, 4-year institutions and 2-year public colleges expended more effort in administering their loan programs than proprietary schools did, and both 4-year and 2-year public institutions worked harder than 2-year private colleges. Finally, 2-year public colleges expended more effort than 4-year private institutions (details in Table 2-2).

As shown in Exhibit 2.A, since the introduction of Direct Loans during the 1994-95 academic year, the percentage of Direct Loan schools reporting that their programs was easy to administer has declined every year, while the percentage of FFEL schools reporting that their program was easy to administer has increased every year.

Exhibit 2.A
Level of Effort Associated With Loan Program Administration:
Institutions Rating Level of Effort as Very Easy or Relatively Easy—
Direct Loan and FFEL Institutions
(in percentages)

Level of Effort	Direct Loan Institutions				FFEL Institutions			
	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)
Very or Relatively Easy	61	60	48	47	29	36	41	45

As shown in Exhibit 2.B (and in Table 2-4), institutions in both the Direct Loan and FFEL Programs indicated that they were generally satisfied with the activities involved in administering their respective loan programs. For example, at least nine out of every 10 institutions said they were satisfied with the following activities:

- Answering general questions about loans and financial aid (97%)
- Requesting and receiving loan funds (95%)
- Counseling borrowers while in school (94%)
- Processing loan applications (94%)
- Disbursing loan funds (92%)
- Transmitting data (91%)
- Keeping up with regulations (91%).

At least eight out of every 10 institutions were satisfied with the following activities:

- Refunding excess loan funds to borrowers (89%)
- Assisting out-of-school borrowers (84%)
- Reconciliation/financial monitoring and reporting (80%).

The only administrative activity receiving a satisfaction rating lower than 80 percent was recordkeeping and reporting of student information, which 75 percent of all institutions reported being satisfied with. Interestingly enough, this was the only category last year to receive less than 80 percent satisfaction (76%), suggesting that this area of loan program administration still needs to be made easier for institutions.

Exhibit 2.B
Satisfaction With Loan Program Administration Activities, by Loan Program
(in percentages)

Types of Activities	Loan Program Participation		
	DL (%)	FFEL (%)	All (%)
Keeping Up With Regulations	94	90	91
Answering General Questions About Loans and Financial Aid	96	98	97
Counseling in-School Borrowers	94	95	94
Processing Loan Applications	92	95	94
Requesting and Receiving Loan Funds	93	96	95
Disbursing of Loan Funds	94	91	92
Refunding Excess Loan Funds to Borrowers	89	89	89
Reconciliation/Financial Monitoring and Reporting	54	89	80
Transmitting Data	90	92	91
Recordkeeping and Reporting of Student Information	72	76	75
Assisting Out-of-School Borrowers	85	84	84

However, in a comparison of the responses from Direct Loan and FFEL institutions, Direct Loan schools were more satisfied than FFEL schools in keeping up with regulations (94% versus 90%) and in disbursing loan funds (94% versus 91%). On the other hand, FFEL schools were more satisfied than Direct Loan schools in reconciliation/financial monitoring and reporting (89% versus 54%) and recordkeeping and reporting of student information (76% versus 72%).

Among the various cohorts of Direct Loan schools, first-year schools were significantly more satisfied with almost all activities than second-year schools were. However, since the Direct Loan Program began in 1994-95, Direct Loan institutions have become less satisfied with reconciliation/financial monitoring, reporting and recordkeeping, and reporting of student information (details in Table 2-5).

Over this same time period, FFEL schools have become more satisfied with the following activities:

- Keeping up with regulations
- Answering general questions about loans and financial aid
- Counseling borrowers while in school
- Processing loan applications
- Requesting and receiving loan funds
- Disbursing loan funds
- Refunding excess loans to students
- Reconciliation/financial monitoring and reporting
- Assisting out-of-school borrowers.

Level of Change in the Resources Required to Administer the Loan Programs

As shown in Exhibit 2.C (and in Table 2-6), when schools were asked whether there had been a change in the resources needed for the delivery of financial aid between the 1996-97 and 1997-98 academic years, Direct Loan schools were more likely than FFEL schools to have reported increases in the

- Number of staff used for technical support (23% versus 13%)
- Number of hours spent developing/modifying computer programs or systems (55% versus 44%)
- Spending on equipment and computers (61% versus 49%)
- Spending on supplies (42% versus 31%)
- Funds for training (36% versus 20%)
- Funds for staff travel (38% versus 21%).

Exhibit 2.C
Changes in Resources Needed for the Delivery of Financial Aid—Direct Loan and FFEL Institutions
(in percentages)

Types of Resources	Loan Program Participation					
	Direct Loan			FFEL		
	Increase (%)	Same (%)	Decrease (%)	Increase (%)	Same (%)	Decrease (%)
Number of Permanent or Temporary Staff Positions in the Financial Aid	21	73	6	14	81	5
Number of Permanent or Temporary Staff Positions in Accounting or Business Office	13	84	4	11	86	4
Number of Staff Used for Technical Support	23	75	2	13	83	4
Number of Hours Developing/Modifying Computer Programs or Systems	55	42	3	44	52	4
Number of Hours Current Staff Work	39	55	6	34	63	3
Equipment/Computers	61	37	1	49	50	2
Supplies (postage, copying, etc.)	42	52	6	31	63	6
Funds for Training	36	61	4	20	75	5
Funds for Staff Travel	38	59	4	21	74	6

Differences also emerged among Direct Loan schools by cohort and type and control. For example, during the 1997-98 academic year, first-year schools were more likely to have reported smaller increases than second-year schools in the number of hours worked by staff, spending on supplies, and funds for training (details in Table 2-7). In terms of type and control, proprietary schools were more likely to have had smaller increases than several other types of schools in the

- Number of permanent or temporary staff
- Number of staff used for technical support
- Number of hours developing and modifying computer programs and procedures
- Number of hours worked by staff
- Spending on computers and equipment
- Spending on supplies
- Funds for training
- Funds for staff travel (details in Table 2-8).

Differences also emerged among FFEL institutions by type and control (details in Table 2-9). In general, 2-year public colleges were more likely to have had smaller increases than several other types of schools in the

- Number of permanent or temporary staff positions in the financial-aid office
- Spending on equipment and computers
- Funds for training
- Funds for staff travel
- Spending on the development and modification of computer programs and procedures.

Level of Change in Workload Resulting From Administration of the Direct Loan Program

When Direct Loan schools were asked to indicate the overall level of change in workload caused by the implementation of the Direct Loan Program, 54 percent indicated that their overall workload had increased, 31 percent said there had been no change, and 14 percent said their workload had decreased (details in Table 2-10). As shown in Exhibit 2.D, the administrative functions most frequently cited by schools as increasing institutional workload were

- Reconciliation (reported by 72% of Direct Loan schools)
- Training financial aid staff (62%)
- Cash management (58%)
- Creating and transmitting origination records (54%)
- Recordkeeping and reporting (53%)
- Processing promissory notes (52%)

An examination of workload changes by both cohort and type and control yielded several significant differences. For example, both second-year and third-year Direct Loan schools experienced a greater increase in overall workload than first-year schools did (58% and 53% versus 32%). In terms of individual administrative functions, basically the same result holds—for almost all of the administrative activities, first-year schools experienced a smaller increase in workload than other Direct Loan schools did (details in Table 2-11).

Exhibit 2.D
Changes in Workload Resulting From Implementation of the Direct Loan Program
(in percentages)

Administrative Function	All Direct Loan Institutions		
	Decrease (%)	Same (%)	Increase (%)
Overall Level of Change in Workload	14	31	54
Training Financial Aid Staff	5	33	62
Counseling Borrowers on Direct Lending	4	64	33
Processing Loan Applications	24	37	40
Processing Promissory Notes	17	32	52
Creating and Transmitting Origination Records	11	36	54
Advising Borrowers on Status of Loans	19	50	31
Requesting and Receiving Loan Funds	22	45	33
Disbursing Loan Funds to Borrowers	26	45	29
Recordkeeping and Reporting	11	36	53
Canceling and Changing Loans	20	37	44
Cash Management	9	34	58
Reconciliation	5	23	72

Significant differences also emerged by type and control for the Direct Loan schools. In terms of overall workload, 4-year public universities experienced less of an increase in overall workload than proprietary schools, 2-year public colleges, and 4-year private universities did (details in Table 2-12). For the specific administrative functions, 2-year public colleges experienced a greater increase in workload than most institutions for the following activities:

- Training financial-aid staff
- Counseling borrowers on Direct Lending
- Processing loan applications
- Processing promissory notes

- Advising borrowers on the status of their loans
- Requesting and receiving loan funds
- Disbursing loan funds to borrowers.

Of the Direct Loan schools that indicated a change in administrative workload, 83 percent felt that the change was permanent while 17 percent felt that it was temporary (details in Table 2-13).

When Direct Loan schools were asked specifically about staffing or workload changes within the financial-aid office related to their institution's participation in Direct Lending, many institutions reported no change in staffing (48%). However, 20 percent of institutions reported that staff either were released to other departments or had more time to work on other financial aid functions; 33 percent reported hiring additional staff or having the current staff work extra hours.

Software Configuration and Satisfaction

When institutions were asked to describe their current software configurations, 66 percent of Direct Loan institutions reported using EDExpress software, 21 percent used third-party servicers' software, 17 percent used commercial software, and 10 percent used software developed in house.[13] Among FFEL institutions, 45 percent reported using guaranty agencies' software, 18 percent used third-party servicers' software, 17 percent used commercial software, 16 percent used software developed in house, and 5 percent used lenders' software.

As shown in Exhibit 2.E, among Direct Loan schools, there were significant differences in software configurations by type and control (details in Table 2-14). For example, both 2-year public and 4-year private colleges were more likely to use EDExpress than proprietary schools and 4-year public universities, and 4-year private colleges were more likely to use EDExpress than 2-year public colleges. For users of both commercial software and software developed in house, 4-year institutions and 2-year public colleges were more likely to use their software than proprietary schools, and both 4-year public and 2-year public colleges were more likely to use their software than 4-year private colleges. As expected, proprietary schools were more likely to use a third-party servicer's software than 4-year institutions and 2-year public institutions were.

Among FFEL schools, there were also significant differences in software configurations by type and control (details in Table 2-14). For example, 4-year institutions and 2-year public colleges were more likely to use guaranty agencies' software than proprietary schools, and 4-year institutions were more likely than 2-year public colleges to use either guaranty agencies' or lender-provided software. For users of software developed in house, 4-year institutions and 2-year public colleges were more likely to develop their own software than proprietary schools, and 4-year public institutions were also more likely to develop their own software than 4-year private and 2-year public colleges. As with Direct Loans, proprietary schools were more likely to use third-party servicers' software than 4-year institutions and 2-year public colleges, and 4-year public institutions were more likely than 4-year private and 2-year public colleges to do so. Finally, 4-year institutions and 2-year public colleges were more likely to use commercial software than proprietary schools, and 4-year public institutions were more likely than 4-year private and 2-year public colleges to do so.

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[13] Since respondents were allowed to check more than one type of software, the totals do not add up to 100 percent.

Exhibit 2.E
Software Configuration for Direct Loan and FFEL Institutions, by Type and Control
(in percentages)

Program	Software Configuration	Institutional Type and Control					
		4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)	All (%)
Direct Loan	EDExpress software	55	74	90	89	56	66
	Commercial software	36	27	15	10	7	17
	Software developed in house	27	17	7	0	2	10
	Third-party servicer's software	7	10	3	5	41	21
FFEL	Guaranty-agency software	62	45	64	44	30	45
	Lender software	6	3	6	3	4	5
	Software developed in house	37	18	16	17	10	16
	Third-party servicer's software	19	12	12	10	37	18
	Commercial software	28	22	19	13	9	17

Among Direct Loan schools, 72 percent of EDExpress users and 65 percent of commercial-software users expressed satisfaction with the overall usefulness of their software, compared to 72 percent of FFEL schools (details in Table 2-15). In terms of ease of integration and compatibility of their software, 64 percent of FFEL users expressed their satisfaction, compared to 57 percent of EDExpress users and 66 percent of schools using commercial software. Finally, in terms of processing efficiency, 69 percent of FFEL schools, 70 percent of EDExpress users, and 66 percent of commercial-software users expressed their satisfaction.

Loan Processing Issues

When institutional satisfaction with software among users was compared, FFEL schools were more likely to have been satisfied with the ease of integration and compatibility of their commercial software than Direct Loan schools using EDExpress were, and more satisfied with the overall usefulness of their software than Direct Loan schools using commercial software were.

When Direct Loan schools were asked whether they had frequently encountered any problems with loan processing,

- 26 percent reported problems with the transmission of records to or from the Loan Origination Center
- 22 percent reported problems with interactions and communications with the Loan Origination Center
- 21 percent reported system or software problems
- 20 percent reported promissory note problems
- 11 percent reported other problems.

When asked if these problems had any effect on operations,

- 32 percent reported problems or delays in reconciliation
- 27 percent reported problems or delays in booking loans
- 20 percent reported delayed receipt of funds
- 22 percent reported delayed disbursement of funds to borrowers.

Satisfaction With Activities and Processes of the PLUS Loan Programs

During the 1997-98 academic year, 80 percent of Direct Loan and 79 percent of FFEL institutions originated Parental Loans for Undergraduate Students (PLUS). When asked to characterize the level of work or effort required to administer the program, 66 percent of Direct Loan schools and 64 percent of FFEL schools reported that the programs were either "very easy" or "relatively easy" to administer. For this question, there were no differences in satisfaction by either program or cohort.

Schools were then asked to indicate their satisfaction with several activities associated with the administration of PLUS loans (details in Table 2-16). Although 75 percent of Direct Loan schools and 82 percent of FFEL schools expressed overall satisfaction with the administration of the PLUS programs, the differences in overall satisfaction were not significant. However, FFEL institutions were more satisfied than Direct Loan institutions with credit checks and reporting of credit information (68% versus 56%), while Direct Loan institutions were more satisfied with funds disbursement and refunding of excess loan funds (76% versus 74%).

Among the Direct Loan institutions, the only cohort-based difference was between first- and second-year institutions, whereby first-year institutions were more satisfied than second-year schools in terms of funds disbursement and refunding of excess loan funds (80% versus 75%).

Information and Support From the Department of Education, the Loan Origination Center, Servicers, Lenders, and Guaranty Agencies

Materials and Training Provided by the U.S. Department of Education, Lenders, and Guaranty Agencies

During the 1997-98 academic year, Direct Loan schools were asked to rate the timeliness and usefulness of 15 types of materials and training provided by the Department of Education (ED). Just as during the 1996-97 academic year, a majority of Direct Loan institutions reported that they were satisfied with the timeliness and usefulness of all ED-provided services and materials, with the exception of the timeliness of the loan reconciliation support. As shown in Exhibit 3.A, Direct Loan schools felt that the materials and training provided were more useful than timely, with ratings for usefulness ranging from 50 to 88 percent, while the ratings for timeliness ranged from 47 to 83 percent (details in Table 3-1).

The three most useful types of ED-provided materials and training were also rated the most timely.

Most useful materials and training:
- Preprinted promissory notes (88%)
- Borrower counseling materials (83%)
- Information on Direct Loan rules and regulations (80%).

Most timely materials and training:
- Preprinted promissory notes (83%)
- Information on Direct Loan rules and regulations (77%)
- Borrower counseling materials (77%).

Similarly, two of the least useful types of ED-provided materials and training were also among the least timely.

Least useful materials and training:
- Loan reconciliation support (50%)
- Videoconferences (55%)
- Reconciliation guide (58%).

Least timely materials and training:
- Loan reconciliation support (47%)
- Reconciliation guide (56%)
- Training and technical support (59%).

Exhibit 3.A
Timeliness and Usefulness of ED-Provided Materials and Training—Direct Loan Institutions
(Percentage of institutions rating activities either timely or useful)

ED-Provided Materials/Training	Direct Loan Institutions	
	Timeliness (%)	Usefulness (%)
Information on Direct Loan Rules and Regulations	77	80
Telephone Support for Policy and Administrative Guidance	62	71
Direct Loan Users Guide	68	67
In-Person Assistance	62	68
Borrower Counseling Materials	77	83
Consolidation Booklet	65	71
Training Materials for Counselors	70	72
Entrance/Exit Counseling Videos	73	70
Pre-printed Promissory Notes	83	88
Reconciliation Guide	56	58
Loan Origination Support	61	65
Loan Reconciliation Support	47	50
Training and Technical Support	59	60
Software for Administration or Reporting Functions	63	65
Videoconferences	61	55

During the 1997-98 academic year, FFEL institutions were also asked to rate the timeliness and usefulness of several types of materials and training provided by the Department of Education, lenders, and guaranty agencies. As shown in Exhibit 3.B, FFEL schools rated the materials and training provided by both lenders and guaranty agencies as more timely and useful than those received from the Department of Education in each of the five areas listed (details in Table 3-2). These included information on FFEL Program rules and regulations, telephone support for policy or administrative guidance, borrower counseling materials, training sessions, and software. FFEL instititions also found that the materials provided by guaranty agencies were more useful

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and timely than those provided by lenders, in all areas except timeliness of borrower counseling materials.

Exhibit 3.B
Timeliness and Usefulness of ED/Lender/Guaranty-Agency-Provided Materials and Training—
FFEL Institutions
(Percentage of institutions rating activities either timely or useful)

Agency-Provided Materials and Training	FFEL Institutions					
	Timeliness			Usefulness		
	ED (%)	Lender (%)	GA (%)	ED (%)	Lender (%)	GA (%)
Information on FFEL Program Rules and Regulations	64	75	82	72	77	83
Telephone Support for Policy or Administrative Guidance	55	79	81	63	80	82
Borrower Counseling Materials	61	82	78	65	82	80
Training Sessions	59	68	75	65	72	77
Software for Administrative or Reporting Functions	54	69	77	60	71	77

When the responses from the Direct Loan and FFEL schools were compared for the Department of Education-provided materials and training common to both programs, Direct Loan schools were significantly more likely to rate the materials and training received as both useful and timely. As shown in Exhibit 3.C, Direct Loan schools felt that the information on program rules and regulations, telephone support for policy or administrative guidance, and borrower counseling materials were useful and timely more than the FFEL schools did, and that the ED-provided software was more timely (details in Table 3-3).

Compared with the previous academic year, there was no change in the satisfaction levels of Direct Loan institutions in 1997-98 in terms of the timeliness and usefulness of ED-provided materials and training. However, between the 1995-96 and 1996-97 academic years, there was a significant decline in these satisfaction levels. As a result, Direct Loan institutions this year were less satisfied with all types of ED-provided materials and training than during the 1995-96 academic year (details in Table 3-4).

Exhibit 3.C
Timeliness and Usefulness of ED-Provided Materials and Training—Direct Loan and FFEL Institutions
(Percentage of institutions rating activities either timely or useful)

	Loan Program Participation			
	Timeliness		Usefulness	
ED-Provided Materials and Training	DL (%)	FFEL (%)	DL (%)	FFEL (%)
Information on Program Rules and Regulations	77	64	80	72
Telephone Support for Policy or Administrative Guidance	65	55	71	63
Borrower Counseling Materials	77	61	83	65
Software for Administrative or Reporting Functions	63	54	65	60

In contrast, FFEL institutions experienced an increase in satisfaction with ED-provided materials and training. Compared with the 1996-97 academic year, FFEL schools reported greater satisfaction with the timeliness and usefulness of ED's telephone support, borrower counseling materials, training sessions, and software, as well as with the timeliness of ED's information on FFEL Program rules and regulations. FFEL schools were also significantly more satisfied with ED's materials and training than they had been in 1995-96 (details in Table 3-5). In terms of institutional satisfaction with the materials and training provided by lenders and guaranty agencies, there were no significant changes between the 1996-97 and 1997-98 academic years; however, in all areas except guaranty-agency information, on FFEL Program rules and regulations, FFEL institutions were less satisfied with lenders' and guaranty agencies' support in 1997-98 than they had been during the 1994-95 academic year (details in Table 3-6 and Table 3-7).

Among Direct Loan institutions, there were some cohort differences in satisfaction with the timeliness and usefulness of ED-provided materials and training. First-year schools were more satisfied than second-year schools with the timeliness of the Direct Loan users guide (81% versus 65%), the timeliness of the reconciliation guide (70% versus 54%), and the usefulness of the information on Direct Loan Program rules and regulations (90% versus 80%). Third-year Direct Loan schools were more satisfied than second-year schools with the usefulness of telephone support for policy and administrative guidance (80% versus 70%) and the timeliness of software for administrative or reporting functions (79% versus 58%). Finally, second-year institutions were more satisfied than first-year institutions with entrance and exit counseling videos (70% versus 56%) (details in Table 3-8).

In addition, Direct Loan schools that participated only in Direct Lending reported higher satisfaction with several types of ED-provided materials than institutions that concurrently participated in the FFEL Program did (details in Table 3-9). In terms of timeliness, exclusively Direct Loan schools ranked the following items higher than mixed schools did:

- Training and technical support (64% versus 49%)
- Telephone support for policy and administrative guidance (70% versus 56%)
- Direct Loan users guide (72% versus 58%)
- Reconciliation guide (61% versus 47%)
- Preprinted promissory notes (86% versus 76%).

Exclusively Direct Loan schools also ranked the following items higher than mixed schools did in terms of the usefulness of the material provided:

- Software for administration and reporting functions (70% versus 53%)
- Videoconferences (58% versus 45%)
- Reconciliation guide (61% versus 51%)
- Preprinted promissory notes (90% versus 83%).

Satisfaction With Servicers and the Loan Origination Center

Satisfaction With Communications Regarding Loan Repayment and Consolidation

Institutions were asked about the frequency of their communications with their servicer or the Loan Origination Center (LOC) regarding loan repayment and consolidation. Schools indicated that they sometimes referred borrowers to the servicer or the LOC. In addition, they sometimes directly contacted the servicer or the LOC regarding loan repayment or consolidation to obtain forms/information or to intervene at the request of borrowers (details in Table 3-10).

When both Direct Loan and FFEL schools were asked about their satisfaction with their communication with servicers or the LOC concerning loan repayment and consolidation, FFEL schools were significantly more satisfied than Direct Loan schools. As shown in Exhibit 3.D (and in Table 3-11), 74 percent of FFEL schools expressed satisfaction regarding loan repayment communications, compared to 62 percent of Direct Loan schools. Regarding both in-school and out-of-school consolidation, 60 percent of FFEL schools were satisfied with communications from their servicer, compared to 48 and 44 percent of Direct Loan schools, respectively.

Exhibit 3.D
Satisfaction With Communications With Servicers Concerning Loan Repayment and Consolidation, by Loan Program
(Percentage of institutions rating activity satisfactory)

Type of Communications	Loan Program Participation		
	DL (%)	FFEL (%)	All (%)
Loan Repayment	62	74	71
In-School Consolidation	48	60	57
Out-of-School Consolidation	44	60	56

Although there were no significant differences in the satisfaction levels of Direct Loan schools with servicer/LOC communications between the 1996-97 and 1997-98 academic years, Direct Loan institutions were significantly less satisfied than during the 1995-96 academic year. During the 1995-96 academic year, 75 percent of Direct Loan schools reported satisfaction with loan repayment communications and 63 percent reported satisfaction with out-of-school consolidation, while in 1997-98, 62 percent reported satisfaction with loan repayment communications and 44 percent reported satisfaction with consolidation communications (details in Table 3-12).

Among FFEL schools, there was also a drop in satisfaction over time; but in this case the decline was between 1996-97 and 1997-98. Over that time period, FFEL satisfaction with communications on loan repayment declined from 85 percent to 73 percent, satisfaction with in-school consolidation declined from 74 percent to 60 percent, and satisfaction with out-of-school consolidation communications declined from 75 percent to 60 percent (details in Table 3-12).

Among Direct Loan institutions, there were differences by institutional type and control. For example, proprietary schools were more satisfied with communications with the LOC regarding in-school consolidation than 4-year private institutions were (details in Table 3-13).

There were also differences by type and control among the FFEL schools. Four-year public schools were significantly more satisfied with their communications with their servicer regarding loan repayment than smaller types of institutions—i.e., 2-year public and private schools and proprietary institutions. Similarly, 4-year private schools reported higher satisfaction levels than proprietary schools did. As for servicer communications regarding consolidation, 4-year public schools were more satisfied than proprietary schools with both in-school and out-of-school FFEL consolidation and more satisfied than 2-year public institutions with in-school FFEL consolidation (details in Table 3-13).

Overall Satisfaction With Servicers and the Loan Origination Center

Institutions were asked about their satisfaction with the communications and support they had received during the 1997-98 academic year from their servicer. Direct Loan institutions were also asked about their satisfaction with the LOC's communications and support. Direct Loan institutions reported slightly higher satisfaction with the level of communications and support from their loan servicer than from the Loan Origination Center. As shown in Exhibit 3.E, 63 percent of Direct Loan institutions were satisfied and 12 percent were dissatisfied with their level of support from the loan servicer, while 60 percent of Direct Loan schools were satisfied and 16 percent were dissatisfied with their support from the LOC (details in Table 3-14).

Exhibit 3.E
Satisfaction With Communications and Support
Received From ED Loan Origination Center and ED Loan Servicer—
Direct Loan Institutions
(in percentages)

Level of Satisfaction with Communications/ Support	Direct Loan Institutions	
	ED Loan Origination Center	ED Loan Servicer
Very Satisfied	25	22
2	35	41
3	25	25
4	12	10
Very Dissatisfied	4	2

In comparison, FFEL institutions were significantly more likely to report satisfaction with the communications and support from their loan servicer, with 76 percent of FFEL schools expressing satisfaction with their servicer, compared to 63 percent of Direct Loan schools (details in Table 3-15). By type and control, 4-year public FFEL institutions reported greater satisfaction than smaller types of institutions—i.e., 2-year public and private schools and proprietary schools (details in Table 3-16).

Among the various cohorts of Direct Loan schools, there were no significant differences in overall satisfaction with the servicer or the LOC. There were also no significant differences with servicer or LOC satisfaction by type and control.

Finally, schools originating Direct Loans exclusively reported higher satisfaction with the LOC than schools originating both FFEL and Direct Loans did (63% versus 52%), as was also the case with Direct Loan servicer satisfaction (67% versus 55%) (details in Tables 3-17 and 3-18).

Relative Satisfaction With Servicers and the Loan Origination Center

As shown in Exhibit 3.F (and Table 3-19), Direct Loan institutions reported, on balance, an increase in their satisfaction with the LOC's overall level of communications and support between the 1996-97 and 1997-98 academic years (34% better, 24% worse, 42% about the same). Direct Loan schools also reported, on balance, an increase in their satisfaction with the servicer's overall level of communications and support between the 1996-97 and 1997-98 academic years (27% better, 12% worse, 61% about the same). However, FFEL institutions were significantly more likely than Direct Loan institutions to report that on balance, their satisfaction with their servicer's overall level of communications and support had increased between academic years 1996-97 and 1997-98 (30% better, 3% worse, 67% about the same) (details in Table 3-20).

Exhibit 3.F
Overall Level of Communication and Support Provided,
by ED Loan Origination Center and Servicer—
Direct Loan Institutions
(in percentages)

Level of Support/Communication	Direct Loan Institutions	
	ED Loan Origination Center (%)	ED Servicer (%)
Better than 1996-1997	34	27
About the Same	42	61
Worse than 1996-1997	24	12

Among Direct Loan institutions, there were no significant differences in relative satisfaction with the servicer or the LOC by cohort or by type and control.

Interactions With the Loan Origination Center

Direct Loan schools were asked to indicate the two types of interactions with the Loan Origination Center that they were most satisfied and least satisfied with. They were most likely to chose loan origination (79%), followed by estimation and drawdown (33%) and loan changes and cancellations (27%), as the interactions they were most satisfied with. The institutions were least satisfied with reconciliation (68%), SSCRs (36%), and—interestingly enough—loan changes and cancellations (35%) (details in Table 3-21).

Contacts With the Department of Education's Regional Offices

Extent of Contact With Regional Offices

A large majority—74 percent—of Direct Loan institutions reported contact with a Client Account Manager (CAM) in their Regional Office (Table 3-23). A majority of schools—54 percent—also indicated that the contacts were initiated by both the institution and the Regional Office (Table 3-24). Most institutions characterized the amount of interaction between the CAMs and their school as moderate, with 53 percent reporting some interaction, 18 percent reporting extensive interaction, and 29 percent reporting very little interaction (Table 3-25).

Direct Loan schools reported less interaction during 1997-98 than during the 1995-96 academic year, when the Regional Office Account Manager System was created (details in Table 3-25).

Satisfaction With Contact With the Regional Offices

As shown in Exhibit 3.G, when Direct Loan schools were asked to rate the timeliness and usefulness of their contact with the Department of Education's Regional Offices, the schools felt that the assistance was slightly more useful than timely, with ratings for usefulness ranging from 62 to 80 percent and ratings for timeliness ranging from 60 to 79 percent (Table 3-25).

The most useful and timely types of contact with ED's Regional Offices, as well as the least useful and timely types of contact, are presented below.

Most useful types of contact:

- Requests for ED-provided material (80%)
- Handling questions regarding Direct Loan Policy (79%)
- Training received at the Regional Office (79%)
- Training and guidance delivered by account managers at institutions (79%).

Least useful types of contact:

- Reconciliation issues (62%)
- Questions and issues regarding computer systems design or implementation (64%)
- Questions and issues regarding disbursement and/or refunding excess funds to borrowers (68%).

Most timely types of contact:

- Handling questions regarding Direct Loan policy (79%)
- Training received at the Regional Office (77%)
- Requests for ED-provided materials (77%).

Least timely types of contact:

- Reconciliation issues (60%)
- Questions and issues regarding disbursement and/or refunding excess funds to borrowers (69%)
- Questions and issues regarding computer systems design or implementation (69%).

Exhibit 3.G
Contact With ED Regional Office—
Direct Loan Institutions
(Percentage of institutions rating activities satisfactory)

Type of Contact	Direct Loan Institutions	
	Timeliness (%)	Usefulness (%)
Training Received at the Regional Office(or at a designated facility)	77	79
Training/Guidance Delivered by Account Managers at your Institution	76	79
Handling Questions Regarding Direct Loan Policy	79	79
Entrance/Exit Counseling Issues	71	72
Requests for ED-Provided Materials	77	80
Questions/Issues Regarding Computer Systems Design or Implementation	69	64
Questions/Issues Regarding Loan Origination	73	73
Questions/Issues Regarding Disbursement and/or Refunding of Excess Funds to Borrowers	69	68
Reconciliation Issues	60	62
Client Account Manager's liaison with servicer, loan originator contractor, or software contractor	76	71

Satisfaction With Client Account Managers

Direct Loan institutions were also asked how satisfied they were with their Regional Office's Client Account Manager's knowledge of financial-aid policies and procedures. A full 77 percent of schools were satisfied and only 4 percent were dissatisfied (details in Table 3-26).

To test for regional differences in institutional satisfaction with the financial-aid-related knowledge of the CAMs, a pairwise strategy was used that allowed each Regional Office to be compared with each of the other nine offices. Although there were few regional differences, the Massachusetts region had higher-rated CAMs than New York, Pennsylvania, Georgia, or Illinois, while the Kansas region had higher-rated CAMs than Pennsylvania or Georgia (details in Table 3-27).

Status and Changes in Loan Program Participation

Status and Changes in Current FFEL Schools' Program Participation

FFEL Institutions' Status or Plans for Participation in the Direct Loan Program

As shown in Exhibit 4.A, when FFEL institutions were asked about their status or plans for participation in the Direct Loan Program, 74 percent reported that they had no plans to apply for the Direct Loan Program, 9 percent were currently participating in the Direct Loan Program (the mixed-program schools), 8 percent said they had been accepted into the Direct Loan Program but later decided not to participate, and 5 percent reported that they had been selected for participation in the program but had yet to originate a Direct Loan. The remaining schools either formerly originated Direct Loans but no longer participate in the program (2%), will be applying for Year 6 of the program (1%), have already applied for Year 5 of the program (<1%), or had their application rejected (<1%) (details in Table 4-1).

Exhibit 4.A
Future Status/Plans for Participation in the Direct Loan Program—
FFEL Institutions
(in percentages)

Plans/Status for Participation in the Direct Loan Program	FFEL Institutions (%)
Currently participating in the Direct Loan Program	9
Institution originated Direct Loans in a previous academic year but no longer participates	2
Institution has been selected for participation in the Direct Loan Program but has yet to originate a Direct Loan	5
Was accepted into Direct Loan Program but chose not to participate	8
Applied for Year 5 of the Direct Loan Program; application accepted or pending	< 1
Will be applying for Year 6 of the Direct Loan Program	1
Application for Direct Loan Program rejected	< 1
Not planning to apply for Direct Loan Program	74

There were no significant differences among FFEL schools in their status or their plans for Direct Loan participation between academic years 1996-97 and 1997-98.

In terms of potential Direct Loan schools, proprietary schools were more likely than any other type of institution to indicate that they had been selected for the Direct Loan Program but had yet to originate any Direct Loans. In addition, 4-year public schools were more likely to be awaiting origination than 2-year public or 4-year private institutions.

Among those schools likely to remain in FFEL, 4-year public and proprietary schools were more likely than 2-year public or 4-year private institutions to have been accepted into the Direct Loan Program but to have later chosen not to participate. The institutions that were least likely to indicate that they planned to apply for the Direct Loan Program were 2-year public and 4-year private institutions (details in Table 4-2).

Schools Awaiting Origination in Direct Lending

All Direct Loan schools were asked whether or not they had delayed origination in order to plan for implementation, *after* they were selected for the program. A majority of the institutions—88 percent—reported that they implemented Direct Lending directly after they were selected for participation, although some (10%) chose to delay origination for 1 year in order to have more planning time. In contrast, only 1 percent of schools delayed origination for 2 years, and none waited more than 2 years (see Volume Two, Appendix C, page 21).

During the 1997-98 academic year, 7 percent of FFEL schools had been selected for participation in Direct Lending but had yet to originate any Direct Loans. Of the schools awaiting origination, most were selected for participation in 1995-96 (32%) or 1997-98 (27%). Just 27 percent had been selected for participation in 1994-95 (see Volume Two, Appendix C, page 19).

For the schools that had been selected for participation but had yet to originate any Direct Loans, 16 percent said they planned to start originating Direct Loans next year, in academic year 1998-99; however, 84 percent said they were not sure or did not know when they would start origination. No schools in this group indicated that they were planning to begin origination in the 1999-2000 academic year (see Volume Two, Appendix C, page 19).

Schools Formerly Participating in Direct Lending

The 2 percent of FFEL institutions that formerly originated Direct Loans were asked the open-ended question, "Please indicate why your institution is no longer participating in the Direct Loan Program." The three most frequently volunteered reasons were[14]

- Too labor intensive/time consuming (43%)
- Problems with the LOC (13%)
- FFEL is better/improved (4%).

Of the institutions no longer participating in Direct Lending, most were second-year schools. Seventy-one percent began participating in 1995-96, 26 percent began in 1994-95, and 4 percent began in 1996-97.

Most former Direct Loan institutions—79 percent—stopped participating in 1996-97, a timeframe that coincided with the transition to the new Loan Origination Center. Of the remaining former Direct Loan schools, 15 percent stopped in 1995-96 and 6 percent stopped in 1994-95 (see Volume Two, Appendix B, pages 19-20).

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[14] 22 institutions responded to this question.

Participation in the PLUS Program

Both Direct Loan and FFEL institutions participated in their respective PLUS programs at similar levels. Specifically, 80 percent of Direct Loan schools and 78 percent of FFEL schools indicated that they originated PLUS loans (details in Table 4-3 and Table 4-4).

Among Direct Loan schools, first-year institutions, more than second or third-year cohorts, were most likely to participate in PLUS (91%). In addition, third-year institutions (84%) were more likely to participate than second-year institutions (79%) (details in Table 4-3).

Identical type and control differences in PLUS participation emerged for both Direct Loan PLUS and FFEL PLUS participation. By type and control, 4-year public institutions and proprietary schools were more likely than 2-year schools to participate in their respective PLUS programs. Also, 4-year private schools were more likely to participate in PLUS than 2-year public schools (details in Table 4-4 and Table 4-5).

Reasons for Offering Direct Loans Exclusively or Offering Both Direct and FFEL Loans

Factors Influencing the Decision to Offer Only Direct Loans

Among institutions that indicated that they were originating Direct Loans exclusively, the top three reasons for offering only Direct Loans were as follows (details in Table 4-6):

- Did not want the complexity of administering two loan programs simultaneously (81%)
- Did not want to confuse borrowers by offering two loan programs (71%)
- Did not want to continue to administer the FFEL Program (43%).

First-year Direct Loan schools were more likely than other Direct Loan institutions to rate "did not want to continue to administer the FFEL Program" as a very important reason for offering Direct Loans only.

Factors Influencing the Decision to Participate in Both Programs

Among institutions that indicated they were originating both Direct and FFEL loans, the top three reasons for offering both types of loans were as follows (details in Table 4-7):

- Did not want to confuse borrowers who already had FFEL loans (60%)
- Wanted to maintain relationships with lender(s) and/or guarantor(s) (58%)
- Wanted to keep graduate/professional students in the FFEL Program (45%).

Status and Changes in Current Mixed-Program Schools' Participation

Characteristics of Mixed-Program Schools

Mixed-program institutions—those simultaneously administering both the FFEL and Direct Loan Programs—had several defining compositional characteristics.

Like all Direct Loan institutions, most-mixed program schools are in the second-year cohort (details in Table 4-8). However, unlike all Direct Loan institutions, a majority of mixed-program schools—64 percent—were proprietary institutions. Fifteen percent were 4-year private schools, 11 percent were 4-year public schools, 9 percent were 2-year public schools, and 1 percent were 2-year private schools (details in Table 4-9). This finding confirms the fact that proprietary schools have historically been the least likely to switch to Direct Lending exclusively.

One possible reason mixed-program schools might be participating in FFEL would be to originate FFEL PLUS; it appears, however, that mixed-program schools chose rather to originate all four types of loans. A majority of mixed schools were originating both FFEL Staffords and FFEL PLUS loans in 1997-98, in addition to originating Direct Loan Staffords and PLUS.

Specifically, 73 percent of mixed-program schools originated FFEL Staffords and PLUS, 21 percent originated just FFEL Staffords, and 6 percent originated just FFEL PLUS loans (details in Table 4-7). Similarly, a majority of mixed schools—72 percent—were originating both Direct Loan Staffords and PLUS, while 26 percent of mixed-program schools only originated Direct Loan Staffords. Just 2 percent of mixed-program schools were participating in Direct Lending because they were only administering the Direct Loan PLUS program (details in Table 4-10).

Mixed-Program Participation Changes Over Time

Over the last two academic years, there was a slight increase in the number of Direct Loan schools participating in the program exclusively, as opposed to the number of Direct Loan schools still administering loans under the FFEL Program (details in Table 4-11). During the 1997-98 academic year, 73 percent of Direct Loan schools originated Direct Loans exclusively, while 27 percent were mixed. During the 1996-97 academic year, 63 percent of Direct Loan schools originated Direct Loans exclusively, while 37 percent originated both Direct and FFEL loans.

Mixed-Program Schools' Future Plans

As shown in Exhibit 4.B (and in Table 4-12), mixed-program schools were asked about their plans for continued participation in both the Direct Loan and FFEL Programs. On the basis of their responses, these institutions are not simply continuing to offer FFEL loans while transitioning into the Direct Loan Program; rather, they see administering both programs as a permanent condition. In fact, a majority of mixed-program schools (62%) reported that they planned to continue to originate FFEL Staffords and FFEL PLUS loans, while only 12 percent reported that they planned to switch exclusively to Direct Loans at some point in the future. The remainder of the institutions reported that they did not know or were not sure about their plans for dual participation (15%), that they planned to continue to originate FFEL Staffords (7%), or that they planned to continue to originate FFEL PLUS (5%).

Exhibit 4.B
Future Plans for Program Participation, by Mixed-Program Institutions by Type and Control
(in percentages)

	Direct Loan and FFEL Institutions					
	Institutional Type and Control					
Future Plans	4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)	All (%)
Plan to continue to originate FFEL Staffords and FFEL PLUS loans	26	68	48	55	70	62
Plan to continue to originate FFEL PLUS only	20	17	7	0	0	5
Plan to continue to originate FFEL Staffords only	7	0	6	46	8	7
Plan to switch to exclusively Direct Loan some time in the future	20	3	18	0	11	12
Don't Know/ Not Sure	27	11	22	0	12	15

Among mixed-program proprietary schools, a full 79 percent reported they would continue originating loans in both programs (details in Table 4-12).

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Recommendations for Improving the Loan Programs

Advice to the Department of Education and Loan Servicers

Both Direct Loan and FFEL schools were given an open-ended opportunity to list up to two recommendations for improving their respective loan programs.[15] Among the Direct Loan schools, the most frequently volunteered recommendations were as follows:[16]

- Improve/simplify reconciliation (13%)
- Loan Origination Center (LOC) personnel must be better trained/more technical support (11%)
- Better/faster ED software (9%)
- LOC customer services need improvement (7%)
- Don't change the LOC again (4%)
- More onsite visits from ED/regional account managers (4%)

Among the FFEL schools, the responses were more varied. When the schools were asked what specific recommendations they would give to the Department of Education or their loan servicers to improve the administration of the FFEL Program, the following were the most frequently volunteered responses:[17]

- Establish parity between the Direct Loan and FFEL Programs (5%)
- Better/more conveniently located ED training (5%)
- Simplify the loan application/combine with FAFSA (4%)
- Improved software, Web/EDExpress (4%)
- Repeal 3-day EFT disbursement (4%)
- ED improved data, accuracy/dissemination (3%).

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[15] The responses to the open-ended questions in this and the next section can be found in the weighted-item response-frequency questionnaire, Appendix C in Volume Two.

[16] Percentages given are of those answering the question. In all, 441 institutions responded.

[17] 766 institutions responded to this question.

Recommendations for Schools Implementing the Direct Loan Program

Direct Loan institutions were also given the opportunity to offer advice to institutions preparing to implement the Direct Loan Program. In order of occurrence, the most frequently volunteered responses were[18]

- Get all available training/attend all workshops (15%)
- Have adequate computer support/technician (10%)
- Plan ahead (8%)
- Be sure to have adequate staff (8%)
- Be sure to have institutional and administrative support (6%)
- Need to have adequate technology (6%).

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[18] 358 institutions responded to this question.

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Table 1-1: Overall Level of Satisfaction by Loan Program
Academic Year 1997-98

Level of Satisfaction	Loan Program Participation					
	Direct Loan				FFEL (%)	All (%)
	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)		
Very Satisfied	41.2	28.2	26.7	28.3	39.0	36.3
2	41.8	42.5	43.6	42.9	45.3	44.7
3	8.9	18.6	16.2	16.9	13.1	14.1
4	5.9	7.6	10.5	8.5	1.3	3.1
Very Dissatisfied	2.2	3.1	2.9	3.4	1.3	1.8

Table 1- 2 : Overall Satisfaction for All Institutions by Financial Aid Structure
Academic Year 1997-98

Financial Aid Office Structure	Level of Satisfaction				
	Very Satisfied	2	3	4	Very Dissatisfied
A single Financial Aid Office serves a single campus, branch, or school	37.3	43.1	15.2	2.8	1.8
A separate Financial Aid Office serves each campus, branch, or school within the institution	25.8	54.9	13.1	4.3	1.9
A single Financial Aid Office serves multiple campuses, branches, or schools within the institution	37.4	46.2	10.8	3.7	1.9

Table 1- 3 : Overall Satisfaction for All Institutions
by Computer System
Academic Year 1997-98

Computer System	Level of Satisfaction				
	Very Satisfied	2	3	4	Very Dissatisfied
Mainframe system only	33.0	41.8	21.2	3.0	1.0
Mainframe to personal computer with interface	37.4	47.2	11.5	3.4	0.6
Independent mainframe and personal computers	32.5	52.0	12.3	2.9	0.4
Personal computers only	36.6	41.6	15.4	3.0	3.4
No computer system used; all manual processing	42.6	30.4	20.6	2.3	4.1

Table 1- 4: Overall Satisfaction for All Institutions
Direct Loan and FFEL Programs
by Type and Control
Academic Year 1997-98

Level of Satisfaction	Direct Loan and FFEL Institutions				
	Institutional Type and Control				
	4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Very Satisfied	39.2	33.2	37.4	38.3	35.8
2	44.7	47.7	47.7	41.6	40.1
3	11.8	16.6	12.0	16.3	14.6
4	2.9	1.6	2.0	2.9	5.4
Very Dissatisfied	1.5	0.8	0.8	0.8	4.1

Table 1-5: Overall Level of Satisfaction
Direct Loan and FFEL Institutions
by Institutional Type and Control
Academic Year 1997-98

Program	Level of Satisfaction	Direct Loan and FFEL Institutions				
		Institutional Type and Control				
		4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Direct Loan	Very Satisfied	36.5	22.3	18.6	29.7	30.5
	2	40.3	43.7	53.9	42.9	38.8
	3	15.7	26.0	17.5	17.1	14.5
	4	5.0	6.2	7.1	6.4	11.7
	Very Dissatisfied	2.5	1.7	2.9	3.8	4.6
FFEL	Very Satisfied	41.1	35.1	41.2	39.1	38.9
	2	47.9	48.4	46.5	41.5	40.9
	3	9.0	15.0	10.9	16.2	14.7
	4	1.4	0.8	1.0	2.6	1.7
	Very Dissatisfied	0.7	0.6	0.4	0.5	3.8

Table 1- 6 : Overall Program Satisfaction for FFEL Institutions by Computer System
Academic Year 1997-98

Computer System	FFEL Institutions Level of Satisfaction				
	Very Satisfied	2	3	4	Very Dissatisfied
Mainframe system only	43.9	38.5	16.4	1.2	0.0
Mainframe to personal computer with interface	39.1	48.7	10.8	1.2	0.3
Independent mainframe and personal computers	34.5	50.1	12.2	3.0	0.2
Personal computers only	38.3	41.6	16.2	1.6	2.3
No computer system used, all manual processing	42.6	29.5	21.6	2.3	4.1

Table 1- 7: Overall Program Satisfaction for FFEL Institutions by Software Configuration
Academic Year 1997-98

Current Software Configuration	FFEL Institutions Level of Satisfaction				
	Very Satisfied	2	3	4	Very Dissatisfied
Guaranty-agency software	38.8	49.7	10.2	1.2	0.2
Lender software	47.1	39.1	10.3	2.2	1.3
Softeware developed in house	32.4	47.3	17.8	1.8	0.7
Third-party servicer's software	39.9	41.3	15.6	1.6	1.6
Commercial software	35.9	46.6	15.1	1.4	1.0

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Table 1- 8 : Overall FFEL Program Satisfaction
by Number of Lenders
Academic Year 1997-98

	FFEL Institutions Number of Lenders				
Level of Satisfaction	**1-2**	**3-5**	**6-10**	**11-20**	**20+**
Very Satisfied	32.8	40.3	36.7	43.4	34.9
2	46.7	42.7	49.7	45.6	49.3
3	16.6	13.6	12.7	8.0	13.9
4	1.2	2.6	0.7	2.2	1.4
Very Dissatisfied	2.7	0.7	0.2	0.9	0.5

Table 1-9 : Overall FFEL Program Satisfaction by Plans to Participate in the Direct Loan Program Academic Year 1997-98

Level of Satisfaction	Direct Loan Participation Plans							
	Currently Participating	Originated Previously/ No Longer Participates	Selected/ Yet to Originate	Accepted But Did Not Participate	Application Pending	Will Apply	Application Rejected	Will Not Apply
Very Satisfied	31.5	40.0	36.3	39.1	12.5	29.2	16.7	38.8
2	42.6	53.3	49.5	47.7	25.0	37.5	66.7	46.9
3	21.6	6.7	11.0	8.0	37.5	33.3	0.0	12.6
4	3.7	0.0	2.2	1.3	25.0	0.0	0.0	1.3
Very Dissatisfied	0.6	0.0	1.1	4.0	0.0	0.0	16.7	0.5

Table 1-10: Level of Origination in the Direct Loan Program
Direct Loan Institutions
Academic Year 1997-98

Level of Origination	Direct Loan Institutions (%)
Option 1	24.8
Option 2	67.2
Option 3	8.0

Table 1-11 : Overall Direct Loan Program Satisfaction by Financial Aid Structure
Academic Year 1997-98

Financial Aid Office Structure	Direct Loan Institutions Level of Satisfaction				
	Very Satisfied	2	3	4	Very Dissatisfied
A single Financial Aid Office serves a single campus, branch, or school	30.9	43.8	15.3	6.7	3.4
A separate Financial Aid Office serves each campus, branch, or school within the institution	15.2	45.5	21.6	12.6	5.1
A single Financial Aid Office serves multiple campuses, branches, or schools within the institution	26.2	38.3	20.4	12.7	2.5

Table 1-12: Overall Satisfaction by Loan Program
Academic Years 1994-95, 1995-96, 1996-97, and 1997-98

Academic Year	Level of Satisfaction	Loan Program Participation					
		Direct Loan				FFEL (%)	All (%)
		1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)		
1994-95	Very Satisfied	62.9	NA	NA	62.9	26.5	27.4
	2	27.6			27.6	41.3	40.9
	3	6.3			6.3	23.2	22.8
	4	2.1			2.1	7.1	7.0
	Very Dissatisfied	1.1			1.1	2.0	2.0
1995-96	Very Satisfied	61.2	43.6	NA	45.6	36.9	38.6
	2	26.5	39.0		37.6	42.3	41.4
	3	6.0	12.2		11.4	15.6	14.8
	4	5.3	2.2		2.5	4.2	3.8
	Very Dissatisfied	1.0	3.1		2.8	1.1	1.4
1996-97	Very Satisfied	38.7	23.8	19.2	24.3	37.1	33.9
	2	35.4	36.1	54.8	39.5	45.5	44.0
	3	16.0	26.7	19.3	24.3	14.0	16.5
	4	6.4	10.8	6.1	9.5	2.7	4.4
	Very Dissatisfied	3.6	2.7	0.6	2.4	0.8	1.2
1997-98	Very Satisfied	41.2	28.2	26.6	28.3	39.0	36.3
	2	41.8	42.5	43.0	42.9	45.3	44.7
	3	8.9	18.6	16.2	16.3	13.1	14.1
	4	5.9	7.6	10.5	8.5	1.3	3.1
	Very Dissatisfied	2.2	3.1	2.9	3.4	1.3	1.8

Table 1-13: Current vs. Prior Satisfaction by Loan Program
Direct Loan and FFEL Institutions
Academic Year 1997-98

Level of Satisfaction	Loan Program Participation					
	Direct Loan				FFEL (%)	All (%)
	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)		
Increased	34.1	30.2	49.2	34.0	24.5	26.9
Remained the Same	47.9	53.6	42.9	51.0	72.9	67.5
Decreased	18.0	16.2	7.9	15.0	2.7	5.7

Table 1-14: Overall Satisfaction with Direct Loan and FFEL Program by Level of Participation
Academic Year 1997-98

Level of Satisfaction	FFEL Satisfaction		DL Satisfaction	
	100% (%)	Mixed (%)	100% (%)	Mixed (%)
Very Satisfied	39.0	33.1	33.9	16.1
2	45.3	39.3	46.5	35.2
3	13.1	22.3	12.5	26.4
4	1.3	5.0	4.8	16.5
Very Dissatisfied	1.3	0.3	2.3	5.9

Table 1-15: Changes in FFEL Participation Among Direct Loan Institutions Administering Both Programs Academic Years 1996-97, 1997-98

FFEL Program Administration	Level of Change	Direct Loan Institutions Participating in FFEL	
		1996-97 (%)	1997-98 (%)
Student's access to loans	Improved	[illegible]	[illegible]
	Same	[illegible]	[illegible]
	Worsened	[illegible]	[illegible]
Ease of administration of FFEL	Improved	[illegible]	[illegible]
	Same	[illegible]	[illegible]
	Worsened	[illegible]	[illegible]
Service from banks/guaranty agencies	Improved	56.5	65.7
	Same	41.1	33.6
	Worsened	2.5	0.6
Service from loan servicers/collection agencies	Improved	44.2	41.9
	Same	51.0	56.5
	Worsened	5.0	1.6
Service from your third party or privately contracted servicers	Improved	33.8	27.8
	Same	63.8	70.5
	Worsened	2.3	1.6

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Table 1-16: Characteristics of the Direct Loan and FFEL Loan Programs

All Institutions

Academic Year 1997-98

Characteristics of the Direct Loan/FFEL Loan Program	Direct Loan and FFEL Institutions	
	Agree (%)	Disagree (%)
Borrowers are served well through the loan program	94.4	5.6
The loan program is simple to administer	73.6	26.4
The loan program is secure	83.9	16.1
The availability of loan funds is predictable in the loan program	91.4	8.6
The loan program is cost-effective to administer	83.7	16.3
The loan program utilizes advanced technology	90.5	9.5
The flexibility of loan repayment options is beneficial to borrowers	94.8	5.2

Table 1-17 : Characteristics of the Direct Loan Program

By Cohort

Academic Year 1997-98

Characteristics of the Direct Loan Program	Direct Loan Institutions							
	1st-Yr.		2nd-Yr.		3rd-Yr.		Combined	
	Agree (%)	Disagree (%)	Agree (%)	Disagree (%)	Agree (%)	Disagree (%)	Agree (%)	Disagree (%)
Borrowers are served well through the Direct Loan Program	95.4	4.6	87.1	12.9	92.4	7.6	88.4	11.6
The Direct Loan Program is simple to administer	78.5	21.5	65.9	34.1	64.5	35.5	64.9	35.1
The Direct Loan Program is secure	75.4	24.6	66.3	33.7	76.7	23.3	69.1	30.9
The availability of loan funds is predictable in the Direct Loan Program	82.6	17.4	86.0	14.0	86.9	13.1	86.0	14.0
The Direct Loan Program is cost-effective to administer	84.0	16.0	70.7	29.3	80.8	19.2	73.3	26.7
The Direct Loan Program utilizes advanced technology	86.8	13.2	88.4	11.6	90.9	9.1	89.0	11.0
The flexibility of loan repayment options is beneficial to borrowers	100.0	0.0	96.8	3.2	96.6	3.4	97.2	2.8

Table 1-18 : Characteristics of the FFEL Program
Academic Year 1997-98

Characteristics of the FFEL Loan Program	FFEL Institutions	
	Agree (%)	Disagree (%)
Borrowers are served well through the FFEL Program	96.4	3.6
The FFEL Program is simple to administer	74.4	25.6
The FFEL Program is secure	88.1	11.9
The availability of loan funds is predictable in the FFEL Program	93.2	6.8
The FFEL Program is cost effective to administer	87.2	12.8
The FFEL Program utilizes advanced technology	91.0	9.0
The flexibility of loan repayment options is beneficial to borrowers	94.0	6.0

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Table 2-1: Level of Effort Associated with Loan Program Administration by Loan Program Academic Year 1997-98

Level of Effort	Loan Program Participation					
	Direct Loan				FFEL (%)	All (%)
	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)		
Very Easy	18.7	9.4	4.8	9.2	7.1	7.6
Relatively Easy	45.9	35.4	41.6	37.6	37.4	37.4
Moderate Effort	20.6	30.4	32.9	29.6	30.6	30.4
Relatively Labor Intensive	11.4	16.0	19.6	16.5	20.9	19.8
Very Labor Intensive	3.4	8.6	1.2	7.2	4.0	4.8

Table 2-2: Level of Effort Associated with Program Administration
Direct Loan and FFEL Institutions
by Type and Control
Academic Year 1997-98

Program	Level of Effort	Institutional Type and Control				
		4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Direct Loan	Very Easy	11.3	6.3	6.3	5.4	10.6
	Relatively Easy	43.9	25.3	39.8	35.1	37.2
	Moderate Effort	24.1	26.0	32.5	19.2	32.5
	Relatively Labor Intensive	15.4	26.6	12.9	26.1	15.2
	Very Labor Intensive	5.4	15.7	8.4	14.3	4.5
FFEL	Very Easy	5.1	5.4	4.4	10.6	12.1
	Relatively Easy	36.1	32.1	41.2	38.0	37.9
	Moderate Effort	28.8	32.2	27.5	30.9	33.9
	Relatively Labor Intensive	23.3	24.0	24.5	15.8	13.6
	Very Labor Intensive	6.6	6.3	2.4	4.8	2.2

Table 2-3: Level of Effort Associated With Loan Program Administration
Institutions Rating Level of Effort as Very Easy or Relatively Easy
Direct Loan and FFEL Institutions
Academic Years 1994-95, 1995-96, 1996-97, 1997-98

Level of Effort	Direct Loan Institutions				FFEL Institutions			
	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)
Very or Relatively Easy	60.7	59.9	47.6	46.7	29.0	36.4	40.7	44.5

Table 2-4: Satisfaction with Loan Program Administration Activities
Direct Loan and FFEL Institutions
Academic Year 1997-98
(Percentage of Institutions Rating Activities Satisfactory)

Types of Activities	Loan Program Participation					
	Direct Loan					
	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)	FFEL (%)	All (%)
Keeping Up With Regulations	97.9	93.7	95.9	93.6	90.4	91.2
Answering General Questions About Loans and Financial Aid	95.4	95.4	98.1	95.5	97.9	97.3
Counseling in-School Borrowers	95.1	95.5	87.2	94.2	94.5	94.4
Processing Loan Applications	92.9	92.8	94.5	92.1	95.0	94.3
Requesting and Receiving Loan Funds	97.5	92.2	94.7	92.6	95.7	94.9
Disbursing of Loan Funds	97.4	93.1	99.3	94.1	90.9	91.7
Refunding Excess Loan Funds to Borrowers	93.6	89.9	86.1	88.5	88.5	88.5
Reconciliation/Financial Monitoring and Reporting	66.0	51.7	57.2	54.2	88.7	80.0
Transmitting Data	94.2	89.2	93.1	89.9	91.9	91.4
Recordkeeping and Reporting of Student Information	70.7	73.3	65.4	71.6	75.5	74.6
Assisting Out-of-School Borrowers	83.3	84.1	86.0	84.8	84.3	84.4

Table 2-5: Satisfaction with Loan Program Administration Activities by Loan Program

Academic Years 1994-95, 1997-98

(Percentage of Institutions Rating Activities Satisfactory)

Types of Activities	Direct Loan Institutions		FFEL Institutions	
	1994-95 (%)	1997-98 (%)	1994-95 (%)	1997-98 (%)
Keeping Up With Regulations	93.4	93.6	58.9	90.4
Answering General Questions About Loans and Financial Aid	97.0	95.5	89.8	97.8
Counseling in-School Borrowers	94.6	94.2	87.3	94.5
Processing Loan Applications	NA	92.1	84.9	95.0
Requesting and Receiving Loan Funds	88.2	92.6	85.2	95.7
Disbursing Loan Funds	86.8	94.1	78.6	90.9
Refunding Excess Loan Funds to Borrowers	81.7	88.5	73.3	88.5
Performing Reconciliation/Financial Monitoring and Reporting	78.9	54.2	78.1	88.6
Transmitting Data	NA	89.9	NA	91.9
Recordkeeping and Reporting of Student Information	40.9	71.6	69.5	75.5
Assisting Out-of-School Borrowers	42.9	84.8	67.7	84.3

Table 2-6: Changes in Resources Needed for the Delivery of Financial Aid for Direct Loan and FFEL Institutions
Academic Year 1997-98

Types of Resources	Loan Program Participation					
	Direct Loan			FFEL		
	Increase (%)	Same (%)	Decrease (%)	Increase (%)	Same (%)	Decrease (%)
Number of Permanent or Temporary Staff Positions in the Financial Aid	20.7	72.9	6.4	13.9	80.8	5.3
Number of Permanent or Temporary Staff Positions in Accounting or Business Office	12.5	83.6	3.9	10.8	85.6	3.6
Number of Staff Used for Technical Support	23.1	74.5	2.4	12.7	83.4	4.0
Number of Hours Developing/Modifying Computer Programs or Systems	55.3	42.2	2.5	44.2	52.2	3.6
Number of Hours Current Staff Work	39.2	54.7	6.1	33.9	63.0	3.1
Equipment/Computers	61.4	37.4	1.2	48.6	49.8	1.6
Supplies (postage, copying, etc.)	42.0	52.0	6.0	30.8	63.3	5.9
Funds for Training	35.9	60.6	3.5	20.1	75.2	4.7
Funds for Staff Travel	37.5	58.8	3.7	20.5	73.8	5.7

Table 2-7: Changes in Resources
Direct Loan Institutions
by Cohort
Academic Year 1997-98

Types of Resources	Direct Loan Institutions					
	1st Yr.			2nd Yr.		
	Increase (%)	Same (%)	Decrease (%)	Increase (%)	Same (%)	Decrease (%)
Number of Permanent or Temporary Staff Positions in the Financial Aid Office	18.3	75.1	6.6	21.7	71.3	7.0
Number of Permanent or Temporary Staff Positions in Accounting or Business Office	6.0	89.6	4.4	13.6	82.3	4.1
Number of Staff Used for Technical Support	22.6	76.3	1.1	22.7	74.9	2.4
Number of Hours Developing/Modifying Computer Programs or Systems	53.3	42.3	4.4	54.0	43.7	2.3
Number of Hours Current Staff Work	25.2	60.6	14.2	38.6	56.3	5.0
Equipment/Computers	53.1	46.9	0.0	61.5	37.6	0.9
Supplies (postage, copying, etc.)	31.5	53.1	15.4	44.1	52.3	3.6
Funds for Training	27.7	67.8	4.5	35.6	60.7	3.7
Funds for Staff Travel	30.1	66.4	3.5	36.9	59.0	4.0

Types of Resources	3rd Yr.			Combined		
	Increase (%)	Same (%)	Decrease (%)	Increase (%)	Same (%)	Decrease (%)
Number of Permanent or Temporary Staff Positions in the Financial Aid Office	19.7	75.0	5.3	20.7	72.9	6.4
Number of Permanent or Temporary Staff Positions in Accounting or Business Office	12.5	84.0	3.5	12.5	83.6	3.9
Number of Staff Used for Technical Support	28.4	68.1	3.5	23.1	74.5	2.4
Number of Hours Developing/Modifying Computer Programs or Systems	58.2	38.9	2.9	55.3	42.2	2.5
Number of Hours Current Staff Work	42.9	51.5	5.5	39.2	54.7	6.1
Equipment/Computers	64.8	31.7	3.5	61.4	37.4	1.2
Supplies (postnge, copying, etc.)	41.7	48.2	10.1	42.0	52.0	6.0
Funds for Training	37.0	60.1	2.9	35.9	60.6	3.5
Funds for Staff Travel	39.5	57.6	2.9	37.5	58.8	3.7

Table 2-8: Changes in Resources Needed for the Delivery of Financial Aid for Direct Loan Institutions by Type and Control
Academic Year 1997-98

Materials/Training Provided by ED	Level of Change	Institutional Type and Control				
		4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Number of permanent or temporary staff positions related to financial aid	Significant Decrease	3.9	0.0	0.5	0.0	2.3
	2	10.0	3.2	4.4	0.0	2.3
	3	66.0	66.3	69.6	78.8	79.4
	4	18.6	24.8	21.6	16.1	15.6
	Significant Increase	1.4	5.7	3.7	5.1	0.3
Number of permanent or temporary staff positions in Accounting or Business Office	Significant Decrease	1.9	0.0	1.0	0.0	1.2
	2	5.8	5.0	1.0	0.0	1.7
	3	79.3	77.7	88.0	87.6	85.2
	4	12.6	16.5	9.9	12.4	11.9
	Significant Increase	0.5	0.8	0.0	0.0	0.0
Number of staff used for technical support	Significant Decrease	1.0	0.0	0.0	0.0	1.2
	2	2.4	1.7	1.5	0.0	1.4
	3	66.3	65.0	71.6	66.2	83.3
	4	26.0	29.3	22.6	22.2	12.8
	Significant Increase	4.3	4.0	4.3	11.5	1.3
Number of hours developing/ modifying computer programs/ procedures	Significant Decrease	2.0	0.0	0.5	0.0	1.2
	2	3.8	2.5	1.0	0.0	0.3
	3	32.6	25.0	39.0	44.2	53.9
	4	41.1	38.7	46.7	34.0	34.4
	Significant Increase	20.5	33.9	12.8	21.8	10.2
Number of hours current staff work	Significant Decrease	4.8	0.0	1.0	6.4	1.2
	2	10.9	5.5	4.5	0.0	0.5
	3	49.8	46.0	46.0	40.4	64.6
	4	23.5	26.5	37.1	38.9	25.8
	Significant Increase	11.0	22.0	11.4	14.3	7.9
Equipment/computers	Significant Decrease	1.4	0.0	0.0	0.0	0.0
	2	0.0	2.5	0.0	0.0	1.4
	3	39.9	25.9	33.0	27.1	42.2
	4	39.8	34.4	37.2	34.8	41.3
	Significant Increase	18.8	37.2	29.9	38.0	15.0
Supplies (postage, copying, etc.)	Significant Decrease	2.3	0.8	1.9	0.0	2.6
	2	7.6	4.8	3.4	6.4	1.9
	3	40.8	42.7	44.5	57.1	63.5
	4	31.1	32.5	36.3	22.5	28.5
	Significant Increase	18.3	19.3	13.9	14.1	3.5
Funds for training	Significant Decrease	3.0	0.0	0.0	0.0	1.4
	2	3.4	2.5	0.5	0.0	2.6
	3	58.0	49.2	66.2	65.2	62.4
	4	29.1	26.6	27.1	28.4	29.8
	Significant Increase	6.5	21.7	6.2	6.4	3.8
Funds for staff travel	Significant Decrease	3.0	0.0	0.0	0.0	1.4
	2	4.3	2.5	0.5	0.0	2.6
	3	54.7	40.3	61.8	59.8	65.0
	4	31.0	31.3	31.9	22.0	26.9
	Significant Increase	7.0	25.9	5.7	18.2	4.1

Table 2-9: Changes in Resources Needed for the Delivery of Financial Aid for FFEL Institutions by Type and Control Academic Year 1997-98

		Institutional Type and Control				
Materials/Training Provided by ED	**Level of Change**	**4-Year Public (%)**	**2-Year Public (%)**	**4-Year Private (%)**	**2-Year Private (%)**	**Proprietary (%)**
Number of permanent or temporary staff positions related to financial aid	Significant Decrease	2.9	1.7	0.8	1.4	0.3
	2	6.2	3.0	3.8	2.6	5.4
	3	73.3	87.5	77.2	88.4	78.8
	4	14.0	7.2	17.7	5.9	11.8
	Significant Increase	3.5	0.5	0.5	1.6	3.6
Number of permanent or temporary staff positions in the Accounting or Business Office	Significant Decrease	1.0	0.7	0.9	0.0	0.2
	2	3.5	1.7	2.9	4.4	3.7
	3	85.7	90.1	81.8	88.6	84.9
	4	9.0	6.0	13.9	6.5	9.8
	Significant Increase	0.7	1.5	0.4	0.4	1.4
Number of staff used for technical support	Significant Decrease	1.4	1.2	0.7	0.4	0.0
	2	6.1	2.6	3.8	2.6	2.6
	3	76.0	86.6	79.8	87.3	86.3
	4	14.4	8.1	14.9	8.6	9.0
	Significant Increase	2.1	1.6	0.9	1.0	2.1
Number of hours developing/ modifying computer programs or systems	Significant Decrease	1.8	0.3	1.2	0.5	0.2
	2	4.8	1.6	3.0	2.9	3.1
	3	41.0	58.2	49.6	60.9	50.8
	4	36.6	26.2	31.7	23.7	34.0
	Significant Increase	15.7	13.7	14.6	12.0	12.0
Number of hours current staff work	Significant Decrease	0.7	0.6	0.5	0.0	0.0
	2	3.8	1.5	3.8	3.0	2.2
	3	62.0	63.6	60.0	68.4	64.9
	4	25.9	26.2	30.6	25.3	23.0
	Significant Increase	7.7	8.1	5.2	3.3	10.0
Equipment/computers	Significant Decrease	0.0	0.0	0.7	1.0	0.7
	2	1.1	1.1	0.4	0.0	2.6
	3	49.4	55.7	44.5	53.7	49.2
	4	40.2	32.7	43.2	31.3	33.4
	Significant Increase	9.3	10.4	11.2	14.0	14.1
Supplies (postage, copying, etc.)	Significant Decrease	1.7	0.1	0.9	0.4	1.0
	2	7.0	3.0	7.5	5.5	3.2
	3	57.4	65.6	60.2	70.4	64.8
	4	25.1	27.8	25.9	19.6	26.9
	Significant Increase	8.8	3.5	5.5	4.1	4.1
Funds for training	Significant Decrease	1.5	1.4	0.5	1.5	0.3
	2	5.6	6.0	3.0	5.3	1.5
	3	78.1	77.9	74.3	75.9	72.1
	4	12.7	13.7	17.8	16.2	19.7
	Significant Increase	2.1	1.0	4.4	1.1	6.4
Funds for staff travel	Significant Decrease	1.8	2.6	1.5	2.6	0.5
	2	7.3	5.6	3.0	5.2	2.2
	3	76.4	76.1	72.9	75.5	70.8
	4	13.4	14.5	19.4	16.7	20.0
	Significant Increase	1.1	1.3	3.3	0.0	6.6
Development/modification of computer programs/procedures	Significant Decrease	0.0	0.3	1.0	0.5	0.9
	2	3.9	2.0	1.6	1.4	1.7
	3	36.4	53.8	38.8	49.6	45.7
	4	46.3	32.6	47.1	36.0	38.3
	Significant Increase	13.4	11.3	11.5	12.5	13.4

Table 2-10: Changes in Workload Resulting from Implementation of the Direct Loan Program Academic Year 1997-98

Administrative Function	All Direct Loan Institutions		
	Decrease (%)	Same (%)	Increase (%)
Overall Level of Change in Workload	14.4	31.3	54.3
Training Financial Aid Staff	4.8	32.8	62.3
Counseling Borrowers on Direct Lending	3.9	63.5	32.7
Processing Loan Applications	23.8	36.5	39.8
Processing Promissory Notes	16.6	31.5	52.0
Creating and Transmitting Origination Records	10.8	35.5	53.6
Advising Borrowers on Status of Loans	18.6	50.4	31.0
Requesting and Receiving Loan Funds	21.6	45.0	33.3
Disbursing Loan Funds to Borrowers	26.1	44.5	29.4
Recordkeeping and Reporting	11.1	36.1	52.8
Canceling and Changing Loans	19.5	36.8	43.7
Cash Management	8.6	33.6	57.7
Reconciliation	5.3	22.7	72.0

Table 2-11: Changes in Workload Resulting from Implementation of the Direct Loan Program
Direct Loan Institutions
by Cohort
Academic Year 1997-98

Administrative Function	Direct Loan Institutions								
	Direct Loan 1st Yr.			Direct Loan 2nd Yr.			Direct Loan 3rd Yr.		
	Decrease (%)	Same (%)	Increase (%)	Decrease (%)	Same (%)	Increase (%)	Decrease (%)	Same (%)	Increase (%)
Overall Level of Change in Workload	30.5	37.3	32.1	12.7	29.9	57.5	10.5	36.7	52.8
Training Financial Aid Staff	15.3	37.9	46.8	4.1	33.5	62.4	3.6	29.8	66.6
Counseling Borrowers on Direct Lending	14.1	64.9	21.0	3.4	63.9	32.6	0.0	62.7	37.3
Processing Loan Applications	38.8	34.6	26.6	22.7	37.9	39.4	20.9	38.9	40.2
Processing Promissory Notes	23.0	36.4	40.6	17.4	31.6	51.0	11.4	32.1	56.4
Creating and Transmitting Origination Records	19.8	38.2	42.0	10.5	36.0	53.6	7.4	37.8	54.9
Advising Borrowers on Status of Loans	30.2	44.0	25.8	15.9	53.2	30.9	24.1	46.4	29.5
Requesting and Receiving Loan Funds	29.1	47.7	23.2	21.3	43.3	35.5	19.9	53.3	26.8
Disbursing Loan Funds to Borrowers	36.5	42.5	21.1	23.4	46.0	30.6	31.9	40.3	27.8
Recordkeeping and Reporting	20.7	36.9	42.3	9.7	36.1	54.2	12.2	35.7	52.1
Canceling and Changing Loans	30.7	38.6	30.8	16.9	37.7	45.4	22.8	35.4	41.8
Cash Management	22.0	34.9	43.1	7.4	33.1	59.6	6.1	35.6	58.3
Reconciliation	16.8	20.8	62.5	3.3	22.4	74.3	7.2	23.8	69.0

Table 2-12: Changes in Workload Resulting From Implementation of the Direct Loan Program

Direct Loan Institutions

by Type and Control

Academic Year [illegible]

Administrative Function	Change in Workload	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Overall Level of Change in Workload	Decrease	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Same	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Increase	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Training Financial Aid Staff	Decrease	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Same	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Increase	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Counseling Borrowers on Direct Lending	Decrease	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Same	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Increase	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Processing Loan Applications	Decrease	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Same	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Increase	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Processing Promissory Notes	Decrease	23.9	12.0	23.6	13.5	12.0
	Same	19.4	23.1	29.9	37.3	40.6
	Increase	56.7	64.9	46.5	49.2	47.4
Creating and Transmitting Origination Records	Decrease	18.5	7.1	13.5	0.0	7.4
	Same	26.1	32.6	32.4	35.3	42.7
	Increase	55.4	60.3	54.1	64.7	49.9
Advising Borrowers on Status of Loans	Decrease	36.8	21.8	20.9	6.4	8.0
	Same	33.8	36.2	45.7	52.4	65.2
	Increase	29.5	42.0	33.4	41.2	26.8
Requesting and Receiving Loan Funds	Decrease	31.3	21.2	28.3	18.0	14.0
	Same	36.9	36.6	43.1	57.5	51.9
	Increase	31.9	42.1	28.6	24.5	34.1
Disbursing Loan Funds to Borrowers	Decrease	42.7	23.9	27.7	18.2	18.2
	Same	32.2	35.4	35.7	53.5	57.1
	Increase	25.2	40.6	36.6	28.4	24.7
Recordkeeping and Reporting	Decrease	17.6	14.4	13.9	0.0	6.0
	Same	30.7	35.4	29.1	24.6	43.1
	Increase	51.7	50.3	57.1	75.4	50.8
Canceling and Changing Loans	Decrease	31.4	23.1	20.8	22.0	11.4
	Same	23.6	29.6	30.9	35.3	48.6
	Increase	45.1	47.3	48.2	42.7	40.0
Cash Management	Decrease	17.8	6.6	12.8	6.4	2.2
	Same	29.8	34.8	27.7	34.2	37.9
	Increase	52.4	58.6	59.6	59.4	59.8
Reconciliation	Decrease	11.1	3.9	5.8	0.0	2.9
	Same	11.7	28.4	16.4	12.9	32.1
	Increase	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Table 2-33: Temporary Versus Permanent Changes in Workload Resulting from Implementation of the Direct Loan Program

Academic Year [illegible]

[illegible]	[illegible]			
	[illegible]	[illegible]	[illegible]	[illegible]
Temporary	[illegible]	[illegible]	[illegible]	[illegible]
Permanent	[illegible]	[illegible]	[illegible]	[illegible]

Table 2-44: Software Configuration for Direct Loan and FFEL Institutions
by Type and Control
Academic Year 1997-98

Program	Software Configuration	Institutional Type and Control					
		4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)	All (%)
Direct Loans	EDExpress software	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Commercial software	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Software developed in-house	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Third-party servicer's software	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FFEL	Guarantee agency software	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Lender software	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Software developed in-house	32.4	18.0	15.6	16.6	9.8	17.2
	Third-party servicer's software	18.8	11.7	11.6	10.1	37.4	18.3
	Commercial software	28.1	21.9	18.8	12.6	8.6	17.5

Table 2-15: Software Satisfaction for Direct Loan and FFEL Institutions

Academic Year 1997-98

[illegible]	Level of Satisfaction	Direct Loan Institutions		FFEL Institutions
		EDExpress Software	Commercial Software	[illegible]
[illegible]	Very Satisfied	[illegible]	[illegible]	[illegible]
	2	[illegible]	[illegible]	[illegible]
	3	[illegible]	[illegible]	[illegible]
	4	[illegible]	[illegible]	[illegible]
	Very Dissatisfied	[illegible]	[illegible]	[illegible]
[illegible]	Very Satisfied	[illegible]	[illegible]	[illegible]
	2	[illegible]	[illegible]	[illegible]
	3	[illegible]	[illegible]	[illegible]
	4	14.6	8.5	7.9
	Very Dissatisfied	4.9	3.7	2.6
Processing efficiency	Very Satisfied	29.2	35.0	34.3
	2	40.4	30.8	34.6
	3	18.4	24.6	21.8
	4	9.1	7.1	6.9
	Very Dissatisfied	2.9	2.5	2.3

Table 3-1: Timeliness/Usefulness of ED-Provided Materials and Training
Direct Loan Institutions
Academic Year 1997-98
(Percentage of Institutions Rating Activities Either Timely or Useful)

ED-Provided Materials/Training	**Direct Loan Institutions**	
	Timeliness (%)	**Usefulness (%)**
Information on Direct Loan Rules and Regulations	77.1	80.1
Telephone Support for Policy and Administrative Guidance	62.4	71.1
Direct Loan Users Guide	67.6	66.6
In-Person Assistance	62.1	67.8
Borrower Counseling Materials	76.6	83.3
Consolidation Booklet	65.3	71.0
Training Materials for Counselors	70.0	71.5
Entrance/Exit Counseling Videos	72.5	70.0
Pre-printed Promissory Notes	82.8	87.5
Reconciliation Guide	56.3	58.0
Loan Origination Support	60.6	64.9
Loan Reconciliation Support	46.7	49.7
Training and Technical Support	59.3	59.6
Software for Administration or Reporting Functions	62.5	65.0
Videoconferences	61.0	54.7

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Table 3-2: Timeliness/Usefulness of ED/Lender/Guaranty Agency Provided Materials and Training FFEL Institutions
Academic Year 1997-98
(Percentage of Institutions Rating Activities Either Timely or Useful)

Agency-Provided Materials and Training	FFEL Institutions					
	Timeliness			Usefulness		
	ED (%)	Lender (%)	GA (%)	ED (%)	Lender (%)	GA (%)
Information on FFEL Program Rules and Regulations	63.6	74.8	81.8	72.2	76.8	83.1
Telephone Support for Policy or Administrative Guidance	54.6	78.7	80.8	62.9	80.0	82.2
Borrower Counseling Materials	61.1	81.7	78.4	65.1	82.3	80.3
Training Sessions	58.7	67.9	75.3	65.2	72.1	77.4
Software for Administrative or Reporting Functions	53.6	68.5	76.9	60.1	71.3	77.5

Table 3-3: Timeliness/Usefulness of ED Provided Materials and Training
Direct Loan and FFEL Institutions
Academic Year 1997-98
(Percentage of Institutions Rating Activities Either Timely or Useful)

ED-Provided Materials and Training	Loan Program Participation			
	Timeliness		Usefulness	
	DL (%)	FFEL (%)	DL (%)	FFEL (%)
Information on Program Rules and Regulations	77.1	63.6	80.1	72.2
Telephone Support for Policy or Administrative Guidance	65.4	54.6	71.1	62.9
Borrower Counseling Materials	76.6	61.1	83.3	65.1
Software for Administrative or Reporting Functions	62.5	53.6	65.0	60.2

Table 3-4: Timeliness/Usefulness of ED-Provided Materials and Training
Direct Loan Institutions
Academic Years 1994-95, 1995-96, 1996-97, 1997-98
(Percentage of Institutions Rating Activities Either Timely or Useful)

ED-Provided Materials/Training	Direct Loan Institutions							
	1994-95		1995-96		1996-97		1997-98	
	Timeliness (%)	Usefulness (%)	Timeliness (%)	Usefulness (%)	Timeliness (%)	Usefulness (%)	Timeliness (%)	Usefulness (%)
Information on Direct Loan Rules and Regulations	88.8	94.3	86.3	86.6	72.3	79.7	77.1	80.1
Telephone Support for Policy and Administrative Guidance	89.3	95.2	86.9	90.8	56.3	68.5	65.4	71.1
Direct Loan Users Guide	89.7	85.2	87.3	80.8	62.4	66.7	67.6	66.6
In-Person Assistance	92.5	96.5	87.0	87.7	57.0	65.7	62.1	67.8
Borrower Counseling Materials	75.0	93.2	91.5	93.2	68.9	85.7	76.6	83.3
Training Materials for Counselors	NA	NA	91.9	88.8	65.8	74.1	70.0	71.5
Entrance/Exit Counseling Videos	NA	NA	89.4	74.6	71.5	72.3	72.5	70.0
Pre-printing Promissory Notes	88.4	98.1	93.6	95.4	83.1	89.6	82.8	87.5
Reconciliation Guide	NA	NA	80.7	76.0	57.0	58.7	56.3	58.0
Consolidation Booklet	NA	NA	85.3	87.2	61.0	69.1	65.3	71.0
Loan Origination Support	93.9	96.5	91.9	90.8	56.5	64.2	60.6	64.9
Loan Reconciliation Support	NA	NA	82.0	85.0	40.7	51.5	46.7	49.7
Training and Technical Support	NA	NA	84.5	82.2	53.6	61.8	59.3	59.6
Software for Administration or Reporting Functions	NA	NA	NA	NA	53.4	55.7	62.5	65.0
Videoconferences	NA	NA	80.8	69.6	52.1	51.4	61.0	54.7

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Table 3-5: Timeliness/Usefulness of ED Provided Materials and Training
FFEL Institutions
Academic Years 1994-95, 1995-96, 1996-97, 1997-98
(Percentage of Institutions Rating Activities Either Timely or Useful)

ED-Provided Materials and Training	FFEL Institutions							
	Timeliness				Usefulness			
	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)
Information on FFEL Program Rules and Regulations	48.8	53.4	56.3	63.6	65.5	60.7	66.4	72.2
Telephone Support for Policy or Administrative Guidance	53.9	52.3	47.2	54.6	62.9	66.6	57.4	62.9
Borrower Counseling Materials	66.3	65.1	55.7	61.1	68.2	70.8	58.4	65.1
Training Sessions	62.2	60.1	54.3	58.7	67.4	65.6	61.2	65.2
Software for Administrative or Reporting Functions	68.5	55.5	47.2	53.6	68.4	69.6	50.2	60.1

Table 3-6: Timeliness/Usefulness of Lender Provided Materials and Training FFEL Institutions
Academic Years 1994-95, 1995-96, 1996-97, 1997-98
(Percentage of Institutions Rating Activities Either Timely or Useful)

Lender-Provided Materials and Training	FFEL Institutions							
	Timeliness				Usefulness			
	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)
Information on FFEL Program Rules and Regulations	82.4	85.3	73.9	74.8	83.5	85.9	78.7	76.8
Telephone Support for Policy or Administrative Guidance	85.0	88.0	78.9	78.7	85.9	87.8	81.5	80.0
Borrower Counseling Materials	87.5	88.4	81.2	81.7	87.3	88.3	82.1	82.3
Training Sessions	82.6	83.7	68.4	67.9	82.5	83.3	72.9	72.1
Software for Administrative or Reporting Functions	87.1	82.2	66.7	68.5	85.4	80.1	73.0	71.3

Table 3-7: Timeliness/Usefulness of Guaranty Agency-Provided Materials and Training
FFEL Institutions
Academic Years 1994-95, 1995-96, 1996-97, 1997-98
(Percentage of Institutions Rating Activities Either Timely or Useful)

Guaranty Agency-Provided Materials and Training	FFEL Institutions							
	Timeliness				Usefulness			
	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)
Information on FFEL Program Rules and Regulations	83.2	86.5	80.2	81.8	85.0	88.1	82.5	83.1
Telephone Support for Policy or Administrative Guidance	84.6	88.0	82.5	80.8	86.4	89.1	83.5	82.2
Borrower Counseling Materials	87.6	87.8	79.3	78.4	87.2	87.4	80.6	80.3
Training Sessions	84.6	86.0	75.0	58.9	84.2	83.7	77.6	77.4
Software for Administrative or Reporting Functions	86.4	85.7	72.6	76.9	86.5	83.9	75.7	77.5

Table 3-8: Timeliness/Usefulness of ED Information and Support

Direct Loan Institutions

Academic Year 1997-98

(Percentage of Institutions Rating Activities as Timely/Useful)

ED Provided Materials and Training	Direct Loan Institutions							
	Timeliness				Usefulness			
	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)	1st Yr (%)	2nd Yr (%)	3rd Yr (%)	Combined (%)
Information on Direct Loan Program rules and regulations	79.8	76.1	80.8	77.1	90.4	79.8	80	80.1
Telephone support for policy or administrative guidance	64.4	65.1	70.5	65.4	70.1	70.2	80.1	71.1
Direct Loan Users Guide	81.4	65.3	69.7	67.6	76.6	65.6	65.2	66.6
In-person assistance	64.2	61	64.8	62.1	69.9	66.2	79.1	67.8
Borrower counseling materials	81.8	75.6	78.6	76.6	82.7	82.7	87.2	83.3
Consolidation booklet	64.7	66.2	62.4	65.3	68.6	74	63.7	71
Training materials for counselors	75.8	69.7	68.9	70	76.8	69.7	76.9	71.5
Entrance/exit counseling videos	73.3	71.2	77.2	72.5	56.1	70	77.8	70
Preprinted promissory notes	85.8	82.7	81.2	82.8	91.2	88.3	83.2	87.5
Reconciliation guide	70.3	54.4	57.3	56.3	73.8	57	55.9	58
Loan origination support	64.2	59.2	62.6	60.6	66.2	63.3	71.4	64.9
Loan reconciliation support	47.6	43.7	55.7	46.7	51	46.7	61.5	49.7
Training and technical support	66.6	56.2	66	59.3	69.3	58.5	61.5	59.6
Software for administration or reporting functions	66.3	58.2	78.6	62.5	67	62.8	73.7	65
Videoconferences	70	59.8	66.4	61	59.9	52.3	71.9	54.7

Table 3-9: Satisfaction with Timeliness/Usefulness
of ED's Information and Support
Direct Loan Institutions
Academic Year 1997-98
(Percentage of Institutions Rating Information/Support Satisfactory)

ED-Provided Materials/Training	DL Satisfaction			
	100%		Mixed	
	Timeliness (%)	Usefulness (%)	Timeliness (%)	Usefulness (%)
Information on Direct Loan Rules and Regulations	77.7	81.6	75.7	76.8
Telephone Support for Policy and Administrative Guidance	69.9	73.7	55.7	65.6
Direct Loan Users Guide	72.0	68.1	58.4	63.6
In-Person Assistance	67.2	71.7	52.7	60.9
Borrower Counseling Materials	78.4	82.6	72.8	84.9
Consolidation Booklet	66.9	71.5	61.9	70.0
Training Materials for Counselors	72.0	71.0	66.0	72.5
Entrance/Exit Counseling Videos	76.4	69.1	64.3	72.1
Pre-printed Promissory Notes	86.0	89.6	76.0	83.1
Reconciliation Guide	60.6	61.0	46.8	51.4
Loan Origination Support	62.8	66.1	55.6	62.1
Loan Reconciliation Support	50.5	53.2	38.3	42.1
Training and Technical Support	64.2	64.6	48.6	48.9
Software for Administration or Reporting Functions	64.6	70.2	57.8	53.1
Videoconferences	62.6	58.1	57.1	45.1

Table 3-10: Frequency of Communications with Servicers
Regarding Loan Repayment and Consolidation
Direct Loan and FFEL Institutions
Academic Year 1997-98

Loan Consolidation/ Repayment Activities	Loan Program Participation							
	Direct Loan				FFEL			
	Frequently (%)	Sometimes (%)	Seldom (%)	Never (%)	Frequently (%)	Sometimes (%)	Seldom (%)	Never (%)
Refer borrowers to servicer(s) for loan repayment information and/or materials	32.5	41.8	17	8.6	27.0	47.9	17.5	7.6
Contact servicer directly to obtain loan repayment forms/information	20.2	51.7	17.8	10.3	28.7	48.3	16.7	6.2
Intervene with servicer(s) at the request of borrowers regarding loan repayment issues	11.4	42.2	29.8	16.5	16.8	46.2	28.1	8.8
Refer borrowers to loan origination center/servicer for consolidation information and/or materials	31.4	33.9	19.0	15.8	19.1	37.3	25.2	18.4
Contact loan origination center/servicer directly to obtain forms/information	10.4	31.5	33.0	25.1	7.5	28.9	36.0	27.7
Intervene with loan origination center/servicer at the request of borrowers	6.9	30.4	30.9	31.8	5.4	26.0	35.5	33.2

Table 3-11: Satisfaction with Communications with Servicers
Concerning Loan Repayment and Consolidation
by Loan Program
Academic Year 1997-98
(Percentage of Institutions Rating Communications Satisfactory)

Type of Communications	Loan Program Participation		
	DL (%)	FFEL (%)	All (%)
Loan Repayment	61.6	73.5	70.8
In-School Consolidation	48.2	59.6	56.6
Out-of-School Consolidation	44.3	59.5	55.8

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Table 3-12 : Satisfaction with Communications with Servicers
Concerning Loan Repayment and Consolidation
Direct Loan and FFEL Institutions
Academic Years 1994-95, 1995-96, 1996-97, 1997-98

Type of Communications	Level of Satisfaction	Loan Program Participation							
		Direct Loan Institutions				FFEL Institutions			
		1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)
Loan Repayment	Very Satisfied	NA	33.4	31.5	21.8	NA	NA	46.7	30.2
	2	NA	41.8	38.8	39.8	NA	NA	38.0	43.3
	3	NA	20.5	25.7	31.4	NA	NA	13.2	22.0
	4	NA	3.0	3.3	4.9	NA	NA	1.3	3.1
	Very Dissatisfied	NA	1.3	0.7	2.0	NA	NA	0.7	1.4
In-School Consolidation	Very Satisfied	NA	21.0	21.7	16.6	NA	NA	35.4	21.5
	2	NA	32.7	39.0	31.5	NA	NA	38.7	38.1
	3	NA	25.4	29.5	36.3	NA	NA	23.2	32.5
	4	NA	9.6	6.6	9.1	NA	NA	1.9	4.9
	Very Dissatisfied	NA	10.3	3.2	6.4	NA	NA	0.8	3.1
Out-of-School Consolidation	Very Satisfied	NA	24.3	22.3	13.2	NA	NA	36.8	21.6
	2	NA	38.3	38.7	31.1	NA	NA	38.5	37.9
	3	NA	25.2	25.7	40.2	NA	NA	21.8	30.8
	4	NA	7.7	5.4	8.7	NA	NA	1.9	6.4
	Very Dissatisfied	NA	4.6	7.8	6.9	NA	NA	1.0	3.3

Table 3-13: Satisfaction with Communications with Servicers
DL and FFEL Institutions
by Type and Control
Academic Year 1997-98

Program	Communication	Level of Satisfaction	Institutional Type and Control				
			4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Direct Loan	Loan Repayment	Very Satisfied	17.4	12.8	16.8	11.9	29.9
		2	45.7	42.1	42.5	65.7	33.1
		3	30.7	43.1	32.7	22.4	28.3
		4	5.5	2.0	5.8	0.0	5.3
		Very Dissatisfied	0.7	0.0	2.1	0.0	3.4
	In-school Direct Loan Consolidation	Very Satisfied	9.4	5.9	11.7	17.9	26.2
		2	33.6	44.5	27.3	48.4	28.3
		3	40.1	35.8	40.3	11.2	32.8
		4	11.6	10.8	12.9	0.0	5.8
		Very Dissatisfied	4.3	3.0	7.8	22.5	6.9
	Out-of-school Direct Loan Consolidation	Very Satisfied	7.6	4.2	11.4	0.0	20.9
		2	38.5	33.9	26.8	60.3	26.8
		3	35.1	52.2	42.9	25.7	38.1
		4	12.2	5.5	11.1	0.0	6.2
		Very Dissatisfied	6.6	4.2	7.8	14.0	6.9
FFEL	Loan Repayment	Very Satisfied	36.5	28.7	30.5	28.0	29.5
		2	44.7	44.3	45.8	48.0	36.9
		3	17.7	44.3	21.1	20.9	24.9
		4	0.7	3.0	2.0	2.5	5.8
		Very Dissatisfied	0.4	1.5	0.7	0.6	2.9
	In-school FFEL Consolidation	Very Satisfied	23.1	19.5	20.4	23.7	23.3
		2	41.5	38.0	42.2	39.3	30.3
		3	41.5	34.1	32.0	31.5	32.1
		4	2.9	5.4	3.0	4.3	8.1
		Very Dissatisfied	0.5	3.0	2.3	1.1	6.2
	Out-of-school FFEL Consolidation	Very Satisfied	21.4	22.5	20.8	18.0	23.3
		2	43.2	36.2	41.0	40.2	31.3
		3	31.9	32.5	31.5	32.6	27.2
		4	3.0	6.3	4.0	7.5	11.4
		Very Dissatisfied	0.4	2.5	2.7	1.7	6.7

Table 3-14: Satisfaction with Communications and Support Received from ED Loan Origination Center and ED Loan Servicer
Direct Loan Institutions
Academic Year 1997-98

Level of Satisfaction with Communications/ Support	Direct Loan Institutions	
	ED Loan Origination Center	ED Loan Servicer
Very Satisfied	24.7	21.7
2	34.8	40.2
3	25.0	25.3
4	11.7	10.1
Very Dissatisfied	3.9	1.8

Table 3-15: Satisfaction with Communications and Support from Loan Servicers By Loan Program
Academic Year 1997-98

Level of Satisfaction	Loan Program Particpation		
	DL (%)	FFEL (%)	All (%)
Very Satisfied	21.6	31.9	29.3
2	41.2	44.0	43.3
3	25.3	20.0	21.3
4	10.1	3.0	4.8
Very Dissatisfied	1.8	1.2	1.3

Table 3-16: Level of Satisfaction with Servicer(s) by Type and Control
FFEL Institutions
Academic Year 1997-98

Level of Satisfaction	Institutional Type and Control					
	4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)	Combined (%)
Very Satisfied	34.5	31.0	32.5	33.1	30.2	31.8
2	48.8	43.4	46.8	34.7	42.4	44.0
3	12.1	21.6	17.2	28.3	21.7	20.0
4	4.2	2.7	2.7	2.0	3.6	3.0
Very Dissatisfied	0.3	1.3	0.7	1.0	2.1	1.2

Table 3-17: Satisfaction with Support from Loan Origination Center
Exclusively Direct Loan and Mixed Program Institutions
Academic Year 1997-98

Level of Satisfaction	Direct Loan Institutions	
	100% (%)	Mixed (%)
Very Satisfied	29.5	14.3
2	33.4	37.7
3	22.3	31.0
4	10.8	13.7
Very Dissatisfied	4.1	3.4

Table 3-18: Satisfaction with Support from Servicer
Exclusively Direct Loan and Mixed Program Institutions
Academic Year 1997-98

Level of Satisfaction	Direct Loan Institutions	
	100% (%)	Mixed (%)
Very Satisfied	26.8	10.7
2	39.7	44.4
3	24.2	27.6
4	8.3	13.8
Very Dissatisfied	1.0	3.5

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Table 3-19: Overall Level of Communications and Support Provided by ED Loan Origination Center and Servicer
Direct Loan Institutions
Academic Year 1997-98

Level of Support/Communication	Direct Loan Institutions	
	ED Loan Origination Center (%)	ED Servicer (%)
Better than 1996-1997	33.8	26.9
About the Same	42.4	60.7
Worse than 1996-1997	23.8	12.4

Table 3-20: Relative Satisfaction with Communications and Support Provided by Servicer
Direct Loan and FFEL Institutions
Academic Year 1997-98

Level of Support/Communication	Servicer	
	FFEL Servicer (%)	ED Servicer (%)
Better than 1996-1997	30.1	26.9
About the same	66.7	60.7
Worse than 1996-1997	3.2	12.4

Table 3-21: Possible Interactions with ED's Loan Origination Center
Direct Loan Institutions
Academic Year 1997-98
(Percentage of Institutions Selecting Interaction As One of the Two Most/Least Satisfying)

Type of Interaction	Direct Loan Institutions	
	Most Satisfied (%)	Least Satisfied (%)
Loan origination	79.4	6.1
Estimation and drawdown	32.6	8.4
Loan changes and cancellations	27.3	35.0
Reconciliation	6.6	67.8
Processing deferments	7.8	12.8
Loan Servicing	21.3	16.7
SSCRs	13.6	35.6

Table 3-22: Contact
with CAM Regional Office
Direct Loan Institutions
Academic Year 1997-98

Contact with CAM Regional Office	Direct Loan Institution (%)
Yes	73.5
No	26.5

Table 3-23: Initiators of Contact
with CAM Regional Office
Direct Loan Institutions
Academic Year 1997-98

Initiators of Contact with CAM Regional Office	Direct Loan Institution (%)
Institution	31.9
Regional Office	14.1
Both the institution and the Regional Office	54.0

Table 3-24: Level of Contact with Regional Office CAMs

Direct Loan Institutions

Academic Year 1997-98

Level of Interaction	FFEL Institutions			
	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)
Extensive interaction	NA	18.6	23.8	18.4
Some interaction	NA	62.9	52.9	53.1
Very little interaction	NA	18.5	23.2	28.5

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Table 3-25: Contact with ED Regional Office
Direct Loan Institutions
Academic Year 1997-98
(Percentage of Institutions Rating Activities Satisfactory)

Type of Contact	Direct Loan Institutions	
	Timeliness (%)	Usefulness (%)
Training Received at the Regional Office(or at a designated facility)	77.1	79.3
Training/Guidance Delivered by Account Managers at your Institution	76.1	79.3
Handling Questions Regarding Direct Loan Policy	78.7	79.4
Entrance/Exit Counseling Issues	70.8	71.7
Requests for ED-Provided Materials	76.7	79.8
Questions/Issues Regarding Computer Systems Design or Implementation	68.7	63.8
Questions/Issues Regarding Loan Origination	73.0	72.9
Questions/Issues Regarding Disbursement and/or Refunding of Excess Funds to Borrowers	68.6	67.5
Reconciliation Issues	59.7	61.6
Client Account Manager's liaison with servicer, loan originator contractor, or software contractor	76.2	71.4

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Table 3-26: Satisfaction with Client Account Manager's Knowledge of Financial Aid Policies and Procedures
Direct Loan Institutions
Academic Year 1997-98

Level Of Satisfaction	All Direct Loan Institutions (%)
Very Satisfied	44.8
2	32.2
3	19.1
4	3.0
Very Dissatisfied	0.9

Table 3-27: Knowledge of CAMs by Region

Direct Loan Institutions

Academic Year 1997-98

Region	Direct Loan Institutions				
	Level of Satisfaction				
	Very Satisfied	2	3	4	Very Dissatisfied
Region 1 Boston, MA	57.2	35.1	7.7	0.0	0.0
Region 2 New York, NY	37.8	26.0	31.5	3.6	1.2
Region 3 Philadelphia, PA	29.3	48.8	16.2	3.8	1.9
Region 4 Atlanta, GA	34.9	36.0	25.0	2.0	2.1
Region 5 Chicago, IL	35.4	36.5	23.8	2.3	2.1
Region 6 Dallas, TX	46.0	27.2	15.7	11.1	0.0
Region 7 Kansas City, KS	55.4	28.8	14.7	1.1	0.0
Region 8 Denver, CO	66.5	13.1	20.4	0.0	0.0
Region 9 San Francisco, CA	54.1	27.8	15.1	3.1	0.0
Region 10 Seattle, WA	43.7	44.8	3.0	8.5	0.0
Don't Know/Not Sure	0.0	0.0	100.0	0.0	0.0

Table 4-1: Future Status/Plans for Participation in the Direct Loan Program

FFEL Institutions

Academic Year 1997-98

Plans/Status for Participation in the Direct Loan Program	FFEL Institutions (%)
Currently participating in the Direct Loan program	9.1
Institution originated Direct Loans in a previous academic year but no longer participates	1.7
Institution has been selected for participation in the Direct Loan Program but has yet to originate a Direct Loan	5.1
Was accepted into Direct Loan Program but chose not to participate	8.3
Applied for Year 5 of the Direct Loan Program; application accepted or pending	0.5
Will be applying for Year 6 of the Direct Loan Program	1.0
Application for Direct Loan Program rejected	0.5
Not planning to apply for Direct Loan Program	73.8

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Table 4-2: Future Status/ Plans for Participation in the Direct Loan Program

FFEL Institutions

By Type and Control

Academic Year 1997-98

Future Status/Plans for Participation in Direct Loan Program	**FFEL Institutions**				
	Institutional Type and Control				
	4-Year Public (%)	**2-Year Public (%)**	**4-Year Private (%)**	**2-Year Private (%)**	**Proprietary (%)**
Institution originated Direct Loans in previous academic year but no longer participates	1.7	0.7	0.4	0.9	8.7
Institution has been selected for participation but has yet to originate	5.9	2.2	2.5	3.1	20.7
Institution was accepted into Direct Loan Program but chose not to participate	14.0	6.7	6.9	4.3	12.5
Applied for Year 5 of the Direct Loan Program; application accepted or pending	0.7	0.3	0.0	0.5	1.7
Will be Applying for Year 6 of the Direct Loan Program	3.4	1.1	1.3	0.0	1.5
Application for Direct Loan Program rejected	0.0	0.0	0.0	0.5	2.9
Not planning to apply for Direct Loan Program	74.3	89.0	88.8	90.7	51.9

Table 4-3: Direct Loan PLUS Participation
by Direct Loan Cohort
Academic Year 1997-98

Participation in DL PLUS Program	Direct Loan Institutions			
	Loan Program Participation			
	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)
Yes	90.6	78.8	83.5	79.9
No	9.4	21.2	16.5	20.1

Table 4-4: FFEL PLUS Participation by Type and Control
Academic Year 1997-98

Participation in FFEL PLUS Program	Institutional Type and Control					
	4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)	All (%)
Yes	91.1	69.4	77.8	72.2	85.4	78.3
No	8.9	30.6	22.2	27.8	14.6	21.7

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Table 4-5: Direct Loan PLUS Participation by Type and Control
Academic Year 1997-98

Participation in DL PLUS Program	Institutional Type and Control					
	4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)	All (%)
Yes	85.8	63.4	82.1	65.2	81.7	79.9
No	14.2	36.6	17.9	34.8	18.3	20.1

Table 4-6: Factors Influencing the Decision to Offer Direct Loans Exclusively

Direct Loan Institutions by Cohort

Academic Year 1997-98

Factors Influencing Decision to be Exclusively Direct Loan	Importance	Direct Loan Institutions			
		1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)
Did not want to confuse borrowers by offering two loan programs.	Very important	71.4	72.7	61.8	70.7
	Somewhat important	24.3	21.9	30.1	23.3
	Not at all important	4.4	5.4	8.1	5.9
Did not want the complexity of administering two programs simultaneously.	Very important	82.7	82.6	73.3	81.4
	Somewhat important	17.3	13.4	17.1	14.3
	Not at all important	0.0	4.0	9.6	4.4
Did not want to continue to administer the FFEL Program.	Very important	64.8	41.3	32.2	42.5
	Somewhat important	21.0	32.3	34.4	31.7
	Not at all important	14.2	26.4	33.4	25.7
Wanted to avoid cash management problems associated with the FFEL Program	Very important	45.6	39.7	34.9	39.1
	Somewhat important	26.8	29.8	33.3	30.3
	Not at all important	27.6	30.5	31.8	30.6
Wanted to avoid uncertainty of participation in FFEL	Very important	25.5	27.4	29.1	26.7
	Somewhat important	18.6	26.5	35.6	27.6
	Not at all important	55.8	46.1	35.4	45.6

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Table 4-7: Factors Influencing the Decision to Participate in Both Direct Loan and FFEL Programs
Direct Loan and FFEL Institutions
by Cohort
Academic Year 1997-98

Factors Influencing Decision to Participate in Both in Both Programs	Importance	Direct Loan and FFEL Institutions			
		1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)
Did not want to confuse borrowers who already had FFEL loans	Very important	79.7	52.0	75.3	59.6
	Somewhat important	0.0	30.3	23.1	27.4
	Not at all important	20.3	17.7	1.7	13.0
Wanted to delay full commitment until the Department of Education has gained experience with the new program	Very important	25.1	30.7	42.4	34.1
	Somewhat important	13.3	33.8	41.7	33.4
	Not at all important	61.5	35.5	15.9	32.4
Wanted to learn how to implement the program with a control group before committing all borrowers	Very important	11.8	33.4	56.3	41.5
	Somewhat important	50.8	35.8	24.6	31.1
	Not at all important	37.4	30.8	19.1	27.4
Wanted to maintain relationships with lender(s) and/or guarantor(s)	Very important	21.6	62.5	58.1	57.7
	Somewhat important	59.5	26.7	31.1	32.0
	Not at all important	19.0	10.8	10.8	10.3
Wanted to keep graduate/professional students in the FFEL program	Very important	0.0	53.8	22.5	45.1
	Somewhat important	0.0	13.5	0.0	10.6
	Not at all important	100.0	32.8	77.5	44.4
Wanted to keep FFEL PLUS	Very important	0.0	36.2	31.4	36.8
	Somewhat important	30.7	34.0	41.9	33.9
	Not at all important	69.3	29.8	26.7	29.3

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Table 4-8: Composition of Mixed Program Institutions by Cohort
Academic Year 1997-98

Direct Loan Cohort	Participation in Both Loan Programs (%)
1st Yr.	3.3
2nd Yr.	66.6
3rd Yr.	23.5
4th Yr.	6.6

Table 4-9: Composition of Mixed Program Institutions by Type and Control
Academic Year 1997-98

Mixed Program Institutions				
Institutional Type and Control				
4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
11.1	8.9	14.5	1.3	64.2

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Table 4-10: Institutions with Mixed Program Participation
Types of Loans Originated
Academic Year 1997-98

Loan Program	Loan Type(s)	Direct Loan Institutions (%)
FFEL Loans Offered	Offers FFEL Plus Loans Only	6.4
	Offers FFEL Stafford Loans Only	20.5
	Offers FFEL Plus Loans and FFEL Stafford Loans	73.1
Direct Loans Offered	Offers Direct Loan Plus Loans Only	1.6
	Offers Direct Loan Stafford Loans Only	26.4
	Offers Direct Loan Plus Loans and Direct Loan Stafford Loans	72

Table 4-11: Composition of Direct Loan Institutions' Program Participation
Academic Years 1996-97, 1997-98

Loan Program Participation			
1996-97		1997-98	
100% (%)	Mixed (%)	100% (%)	Mixed (%)
63.4	36.6	68.1	31.9

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Table 4-12: Future Plans for Program Participation
Mixed Program Institutions
by Type and Control
Academic Year 1997-98

Future Plans	Direct Loan and FFEL Institutions					
	Institutional Type and Control					
	4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)	All (%)
Plan to continue to originate FFEL Staffords and FFEL PLUS loans	26.0	68.2	48.2	54.5	69.6	61.7
Plan to continue to originate FFEL PLUS only	20.4	17.2	6.7	0.0	0.0	4.7
Plan to continue to originate FFEL Staffords only	6.6	0.0	5.8	45.5	8.1	7.2
Plan to switch to exclusively Direct Loan some time in the future	20.4	3.4	17.8	0.0	10.6	11.9
Don't Know/ Not Sure	26.6	11.2	21.6	0.0	11.7	14.6

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Survey of Institutions Participating in the Federal Direct Loan and Federal Family Education Loan Programs:

Academic Year 1997-98

Volume Two
Technical Appendices
1999

DEPARTMENT OF EDUCATION
UNITED STATES OF AMERICA

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Evaluation of the Federal Direct Loan Program

A Survey of Institutions Participating in the Federal Direct Loan and Federal Family Education Loan Programs: Academic Year 1997-98

Volume Two—Technical Appendices

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The tables themselves are weighted so that generalizations to the entire population of institutions are possible. In addition, the tables are of two types; those describing the 1997-98 academic year and those longitudinal tables summarizing the last four academic years. It should be noted that several of the numbers presented in the longitudinal tables for 1997-98 differ slightly from those presented in the 1997-98 tables. These slight differences are due to the modification of weights utilized in the longitudinal analysis. Although the differences are slight, interested readers are referred to the survey methodology section in Appendix E of this volume for a complete explanation of the weighting methodology used in our analysis.

Table 1-1: Overall Level of Satisfaction by Loan Program
Academic Year 1997-98

Level of Satisfaction	Loan Program Participation					
	Direct Loan				FFEL (%)	All (%)
	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)		
Very Satisfied	41.2	28.2	26.7	28.3	39.0	36.3
2	41.8	42.5	43.6	42.9	45.3	44.7
3	8.9	18.6	16.2	16.9	13.1	14.1
4	5.9	7.6	10.5	8.5	1.3	3.1
Very Dissatisfied	2.2	3.1	2.9	3.4	1.3	1.8

Table 1- 2 : Overall Satisfaction for All Institutions
by Financial Aid Structure
Academic Year 1997-98

Financial Aid Office Structure	Level of Satisfaction				
	Very Satisfied	2	3	4	Very Dissatisfied
A single Financial Aid Office serves a single campus, branch, or school	37.3	43.1	15.2	2.8	1.8
A separate Financial Aid Office serves each campus, branch, or school within the institution	25.8	54.9	13.1	4.3	1.9
A single Financial Aid Office serves multiple campuses, branches, or schools within the institution	37.4	46.2	10.8	3.7	1.9

Table 1- 3 : Overall Satisfaction for All Institutions
by Computer System
Academic Year 1997-98

Computer System	Level of Satisfaction				
	Very Satisfied	2	3	4	Very Dissatisfied
Mainframe system only	33.0	41.8	21.2	3.0	1.0
Mainframe to personal computer with interface	37.4	47.2	11.5	3.4	0.6
Independent mainframe and personal computers	32.5	52.0	12.3	2.9	0.4
Personal computers only	36.6	41.6	15.4	3.0	3.4
No computer system used; all manual processing	42.6	30.4	20.6	2.3	4.1

Table 1- 4: Overall Satisfaction for All Institutions
Direct Loan and FFEL Programs
by Type and Control
Academic Year 1997-98

Level of Satisfaction	Direct Loan and FFEL Institutions				
	Institutional Type and Control				
	4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Very Satisfied	39.2	33.2	37.4	38.3	35.8
2	44.7	47.7	47.7	41.6	40.1
3	11.8	16.6	12.0	16.3	14.6
4	2.9	1.6	2.0	2.9	5.4
Very Dissatisfied	1.5	0.8	0.8	0.8	4.1

Table 1-5: Overall Level of Satisfaction
Direct Loan and FFEL Institutions
by Institutional Type and Control
Academic Year 1997-98

		Direct Loan and FFEL Institutions				
		Institutional Type and Control				
Program	Level of Satisfaction	4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Direct Loan	Very Satisfied	36.5	22.3	18.6	29.7	30.5
	2	40.3	43.7	53.9	42.9	38.8
	3	15.7	26.0	17.5	17.1	14.5
	4	5.0	6.2	7.1	6.4	11.7
	Very Dissatisfied	2.5	1.7	2.9	3.8	4.6
FFEL	Very Satisfied	41.1	35.1	41.2	39.1	38.9
	2	47.9	48.4	46.5	41.5	40.9
	3	9.0	15.0	10.9	16.2	14.7
	4	1.4	0.8	1.0	2.6	1.7
	Very Dissatisfied	0.7	0.6	0.4	0.5	3.8

Table 1- 6 : Overall Program Satisfaction for FFEL Institutions by Computer System Academic Year 1997-98

Computer System	FFEL Institutions Level of Satisfaction				
	Very Satisfied	2	3	4	Very Dissatisfied
Mainframe system only	43.9	38.5	16.4	1.2	0.0
Mainframe to personal computer with interface	39.1	48.7	10.8	1.2	0.3
Independent mainframe and personal computers	34.5	50.1	12.2	3.0	0.2
Personal computers only	38.3	41.6	16.2	1.6	2.3
No computer system used; all manual processing	42.6	29.5	21.6	2.3	4.1

Table 1- 7: Overall Program Satisfaction for FFEL Institutions by Software Configuration Academic Year 1997-98

Current Software Configuration	FFEL Institutions Level of Satisfaction				
	Very Satisfied	2	3	4	Very Dissatisfied
Guaranty-agency software	38.8	49.7	10.2	1.2	0.2
Lender software	47.1	39.1	10.3	2.2	1.3
Softeware developed in house	32.4	47.3	17.8	1.8	0.7
Third-party servicer's software	39.9	41.3	15.6	1.6	1.6
Commercial software	35.9	46.6	15.1	1.4	1.0

Table 1- 8 : Overall FFEL Program Satisfaction by Number of Lenders Academic Year 1997-98

Level of Satisfaction	FFEL Institutions Number of Lenders				
	1-2	3-5	6-10	11-20	20+
Very Satisfied	32.8	40.3	36.7	43.4	34.9
2	46.7	42.7	49.7	45.6	49.3
3	16.6	13.6	12.7	8.0	13.9
4	1.2	2.6	0.7	2.2	1.4
Very Dissatisfied	2.7	0.7	0.2	0.5	0.5

Table 1-9 : Overall FFEL Program Satisfaction by Plans to Participate in the Direct Loan Program Academic Year 1997-98

Level of Satisfaction	Direct Loan Participation Plans							
	Currently Participating	Originated Previously/ No Longer Participates	Selected/ Yet to Originate	Accepted But Did Not Participate	Application Pending	Will Apply	Application Rejected	Will Not Apply
Very Satisfied	31.5	40.0	36.3	39.1	12.5	29.2	16.7	38.8
2	42.6	53.3	49.5	47.7	25.0	37.5	66.7	46.9
3	21.6	6.7	11.0	8.0	37.5	33.3	0.0	12.6
4	3.7	0.0	2.2	1.3	25.0	0.0	0.0	1.3
Very Dissatisfied	0.6	0.0	1.1	4.0	0.0	0.0	16.7	0.5

Table 1-10: Level of Origination in the Direct Loan Program Direct Loan Institutions Academic Year 1997-98

Level of Origination	Direct Loan Institutions (%)
Option 1	24.8
Option 2	67.2
Option 3	8.0

Table 1-11 : Overall Direct Loan Program Satisfaction by Financial Aid Structure Academic Year 1997-98

Financial Aid Office Structure	Direct Loan Institutions Level of Satisfaction				
	Very Satisfied	2	3	4	Very Dissatisfied
A single Financial Aid Office serves a single campus, branch, or school	30.9	43.8	15.3	6.7	3.4
A separate Financial Aid Office serves each campus, branch, or school within the institution	15.2	45.5	21.6	12.6	5.1
A single Financial Aid Office serves multiple campuses, branches, or schools within the institution	26.2	38.3	20.4	12.7	2.5

Table 1-12: Overall Satisfaction by Loan Program
Academic Years 1994-95, 1995-96, 1996-97, and 1997-98

Academic Year	Level of Satisfaction	Loan Program Participation					
		Direct Loan				FFEL (%)	All (%)
		1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)		
1994-95	Very Satisfied	62.9	NA	NA	62.9	26.5	27.4
	2	27.6			27.6	41.3	40.9
	3	6.3			6.3	23.2	22.8
	4	2.1			2.1	7.1	7.0
	Very Dissatisfied	1.1			1.1	2.0	2.0
1995-96	Very Satisfied	61.2	43.6	NA	45.6	36.9	38.6
	2	26.5	39.0		37.6	42.3	41.4
	3	6.0	12.2		11.4	15.6	14.8
	4	5.3	2.2		2.5	4.2	3.8
	Very Dissatisfied	1.0	3.1		2.8	1.1	1.4
1996-97	Very Satisfied	38.7	23.8	19.2	24.3	37.1	33.9
	2	35.4	36.1	54.8	39.5	45.5	44.0
	3	16.0	26.7	19.3	24.3	14.0	16.5
	4	6.4	10.8	6.1	9.5	2.7	4.4
	Very Dissatisfied	3.6	2.7	0.6	2.4	0.8	1.2
1997-98	Very Satisfied	41.2	28.2	26.6	28.3	39.0	36.3
	2	41.8	42.5	43.0	42.9	45.3	44.7
	3	8.9	18.6	16.2	16.3	13.1	14.1
	4	5.9	7.6	10.5	8.5	1.3	3.1
	Very Dissatisfied	2.2	3.1	2.9	3.4	1.3	1.8

Table 1-13: Current vs. Prior Satisfaction by Loan Program
Direct Loan and FFEL Institutions
Academic Year 1997-98

Level of Satisfaction	Loan Program Participation					
	Direct Loan				FFEL (%)	All (%)
	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)		
Increased	34.1	30.2	49.2	34.0	24.5	26.9
Remained the Same	47.9	53.6	42.9	51.0	72.9	67.5
Decreased	18.0	16.2	7.9	15.0	2.7	5.7

Table 1-14: Overall Satisfaction with Direct Loan and FFEL Program by Level of Participation
Academic Year 1997-98

Level of Satisfaction	FFEL Satisfaction		DL Satisfaction	
	100% (%)	Mixed (%)	100% (%)	Mixed (%)
Very Satisfied	39.0	33.1	33.9	16.1
2	45.3	39.3	46.5	35.2
3	13.1	22.3	12.5	26.4
4	1.3	5.0	4.8	16.5
Very Dissatisfied	1.3	0.3	2.3	5.9

Table 1-15: Changes in FFEL Participation Among Direct Loan Institutions Administering Both Programs Academic Years 1996-97, 1997-98

FFEL Program Administration	Level of Change	Direct Loan Institutions Participating in FFEL	
		1996-97 (%)	1997-98 (%)
Student's access to loans	Improved	23.1	36.4
	Same	75.2	61.4
	Worsened	1.7	2.3
Ease of administration of FFEL	Improved	40.8	40.9
	Same	58.3	56.8
	Worsened	0.9	2.2
Service from banks/guaranty agencies	Improved	56.5	65.7
	Same	41.1	33.5
	Worsened	2.3	0.8
Service from loan servicers/ collection agencies	Improved	44.2	41.9
	Same	51.9	56.3
	Worsened	3.9	1.9
Service from your third-party or privately contracted servicers	Improved	33.8	27.6
	Same	63.8	70.5
	Worsened	2.3	1.9

Table 1-16: Characteristics of the Direct Loan and FFEL Loan Programs
All Institutions
Academic Year 1997-98

Characteristics of the Direct Loan/ FFEL Loan Program	Direct Loan and FFEL Institutions	
	Agree (%)	Disagree (%)
Borrowers are served well through the loan program.	94.4	5.6
The loan program is simple to administer.	73.5	26.5
The loan program is secure.	83.9	16.1
The availability of loan funds is predictable in the loan program.	91.4	8.6
The loan program is cost-effective to administer.	83.7	16.3
The loan program utilizes advanced technology.	90.5	9.5
The flexibility of loan repayment options is beneficial to borrowers.	94.8	5.2

Table 1-17 : Characteristics of the Direct Loan Program
By Cohort
Academic Year 1997-98

Characteristics of the Direct Loan Program	Direct Loan Institutions							
	1st Yr.		2nd Yr.		3rd Yr.		Combined	
	Agree (%)	Disagree (%)	Agree (%)	Disagree (%)	Agree (%)	Disagree (%)	Agree (%)	Disagree (%)
Borrowers are served well through the Direct Loan Program.	95.4	4.6	87.7	12.3	92.4	7.6	88.4	11.6
The Direct Loan Program is simple to administer.	78.5	21.5	63.9	36.1	64.5	35.5	64.9	35.1
The Direct Loan Program is secure.	76.0	24.0	66.3	33.7	76.7	23.3	69.1	30.9
The availability of loan funds is predictable in the Direct Loan Program.	82.6	17.4	86.0	14.0	86.9	13.1	86.0	14.0
The Direct Loan Program is cost-effective to administer.	84.0	16.0	70.7	29.3	80.8	19.2	73.3	26.7
The Direct Loan Program utilizes advanced technology.	86.8	13.2	88.4	11.6	90.9	9.1	89.0	11.0
The flexibility of loan repayment options is beneficial to borrowers.	100.0	0.0	96.8	3.2	96.6	3.4	97.2	2.8

Table 1-18 : Characteristics of the FFEL Program
Academic Year 1997-98

Characteristics of the FFEL Loan Program	FFEL Institutions	
	Agree (%)	Disagree (%)
Borrowers are served well through the FFEL Program.	96.4	3.6
The FFEL Program is simple to administer.	76.4	23.6
The FFEL Program is secure.	88.7	11.3
The availability of loan funds is predictable in the FFEL Program.	93.2	6.8
The FFELProgram is cost-effective to administer.	87.2	12.8
The FFEL Program utilizes advanced technology.	91.0	9.0
The flexibility of loan repayment options is beneficial to borrowers.	94.0	6.0

Table 2-1: Level of Effort Associated with Loan Program Administration by Loan Program

Academic Year 1997-98

	Loan Program Participation					
	Direct Loan					
Level of Effort	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)	FFEL (%)	All (%)
Very Easy	18.7	9.4	4.8	9.2	7.1	7.6
Relatively Easy	45.9	35.4	41.6	37.6	37.4	37.4
Moderate Effort	20.6	30.4	32.9	29.6	30.6	30.4
Relatively Labor Intensive	11.4	16.0	19.6	16.5	20.9	19.8
Very Labor Intensive	3.4	8.6	1.2	7.2	4.0	4.8

Table 2-2: Level of Effort Associated with Program Administration
Direct Loan and FFEL Institutions
by Type and Control
Academic Year 1997-98

Program	Level of Effort	Institutional Type and Control				
		4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Direct Loan	Very Easy	11.3	6.3	6.3	5.4	10.6
	Relatively Easy	43.9	25.3	39.8	35.1	37.2
	Moderate Effort	24.1	26.0	32.5	19.2	32.5
	Relatively Labor Intensive	15.4	26.6	12.9	26.1	15.2
	Very Labor Intensive	5.4	15.7	8.4	14.3	4.5
FFEL	Very Easy	5.1	5.4	4.4	10.6	12.1
	Relatively Easy	36.1	32.1	41.2	38.0	37.9
	Moderate Effort	28.8	32.2	27.5	30.9	33.9
	Relatively Labor Intensive	23.3	24.0	24.5	15.8	13.8
	Very Labor Intensive	6.6	6.3	2.4	4.8	2.2

Table 2-3: Level of Effort Associated With Loan Program Administration
Institutions Rating Level of Effort as Very Easy or Relatively Easy
Direct Loan and FFEL Institutions
Academic Years 1994-95, 1995-96, 1996-97, 1997-98

Level of Effort	Direct Loan Institutions				FFEL Institutions			
	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)
Very or Relatively Easy	60.7	59.9	47.6	46.7	29.0	36.4	40.7	44.5

Table 2-4: Satisfaction with Loan Program Administration Activities
Direct Loan and FFEL Institutions
Academic Year 1997-98
(Percentage of Institutions Rating Activities Satisfactory)

Types of Activities	Loan Program Participation					
	Direct Loan					
	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)	FFEL (%)	All (%)
Keeping Up With Regulations	97.9	93.7	95.9	93.6	90.4	91.2
Answering General Questions About Loans and Financial Aid	95.4	95.4	98.1	95.5	97.9	97.3
Counseling in-School Borrowers	95.1	95.5	87.2	94.2	94.5	94.4
Processing Loan Applications	92.9	92.8	94.5	92.1	95.0	94.3
Requesting and Receiving Loan Funds	97.5	92.2	94.7	92.6	95.7	94.9
Disbursing of Loan Funds	97.4	93.1	99.3	94.1	90.9	91.7
Refunding Excess Loan Funds to Borrowers	93.6	89.9	86.1	88.5	88.5	88.5
Reconciliation/Financial Monitoring and Reporting	66.0	51.7	57.2	54.2	88.7	80.0
Transmitting Data	94.2	89.2	93.1	89.9	91.9	91.4
Recordkeeping and Reporting of Student Information	70.7	73.3	65.4	71.6	75.5	74.6
Assisting Out-of-School Borrowers	83.3	84.1	86.0	84.8	84.3	84.4

Table 2-5: Satisfaction with Loan Program Administration Activities by Loan Program

Academic Years 1994-95, 1997-98

(Percentage of Institutions Rating Activities Satisfactory)

Types of Activities	Direct Loan Institutions		FFEL Institutions	
	1994-95 (%)	1997-98 (%)	1994-95 (%)	1997-98 (%)
Keeping Up With Regulations	93.4	93.6	58.9	90.4
Answering General Questions About Loans and Financial Aid	97.0	95.5	89.8	97.8
Counseling in-School Borrowers	94.6	94.2	87.3	94.5
Processing Loan Applications	NA	92.1	84.9	95.0
Requesting and Receiving Loan Funds	88.2	92.6	85.2	95.7
Disbursing Loan Funds	86.8	94.1	78.6	90.9
Refunding Excess Loan Funds to Borrowers	81.7	88.5	73.3	88.5
Performing Reconciliation/Financial Monitoring and Reporting	78.9	54.2	78.1	88.6
Transmitting Data	NA	89.9	NA	91.9
Recordkeeping and Reporting of Student Information	40.9	71.6	69.5	75.5
Assisting Out-of-School Borrowers	42.9	84.8	67.7	84.3

Table 2-6: Changes in Resources Needed for the Delivery of Financial Aid for Direct Loan and FFEL Institutions

Academic Year 1997-98

Types of Resources	Loan Program Participation					
	Direct Loan			FFEL		
	Increase (%)	Same (%)	Decrease (%)	Increase (%)	Same (%)	Decrease (%)
Number of Permanent or Temporary Staff Positions in the Financial Aid	20.7	72.9	6.4	13.9	80.8	5.3
Number of Permanent or Temporary Staff Positions in Accounting or Business Office	12.5	83.6	3.9	10.8	85.6	3.6
Number of Staff Used for Technical Support	23.1	74.5	2.4	12.7	83.4	4.0
Number of Hours Developing/Modifying Computer Programs or Systems	55.3	42.2	2.5	44.2	52.2	3.6
Number of Hours Current Staff Work	39.2	54.7	6.1	33.9	63.0	3.1
Equipment/Computers	61.4	37.4	1.2	48.6	49.8	1.6
Supplies (postage, copying, etc.)	42.0	52.0	6.0	30.8	63.3	5.9
Funds for Training	35.9	60.6	3.5	20.1	75.2	4.7
Funds for Staff Travel	37.5	58.8	3.7	20.5	73.8	5.7

Table 2-7: Changes in Resources
Direct Loan Institutions
by Cohort
Academic Year 1997-98

Types of Resources	Direct Loan Institutions					
	1st Yr.			2nd Yr.		
	Increase (%)	Same (%)	Decrease (%)	Increase (%)	Same (%)	Decrease (%)
Number of Permanent or Temporary Staff Positions in the Financial Aid Office	18.3	75.1	6.6	21.7	71.3	7.0
Number of Permanent or Temporary Staff Positions in Accounting or Business Office	6.0	89.6	4.4	13.6	82.3	4.1
Number of Staff Used for Technical Support	22.6	76.3	1.1	22.7	74.9	2.4
Number of Hours Developing/Modifying Computer Programs or Systems	53.3	42.3	4.4	54.0	43.7	2.3
Number of Hours Current Staff Work	25.2	60.6	14.2	38.6	56.3	5.0
Equipment/Computers	53.1	46.9	0.0	61.5	37.6	0.9
Supplies (postage, copying, etc.)	31.5	53.1	15.4	44.1	52.3	3.6
Funds for Training	27.7	67.8	4.5	35.6	60.7	3.7
Funds for Staff Travel	30.1	66.4	3.5	36.9	59.0	4.0

Types of Resources	3rd Yr.			Combined		
	Increase (%)	Same (%)	Decrease (%)	Increase (%)	Same (%)	Decrease (%)
Number of Permanent or Temporary Staff Positions in the Financial Aid Office	19.7	75.0	5.3	20.7	72.9	6.4
Number of Permanent or Temporary Staff Positions in Accounting or Business Office	12.5	84.0	3.5	12.5	83.6	3.9
Number of Staff Used for Technical Support	28.4	68.1	3.5	23.1	74.5	2.4
Number of Hours Developing/Modifying Computer Programs or Systems	58.2	38.9	2.9	55.3	42.2	2.5
Number of Hours Current Staff Work	42.9	51.5	5.5	39.2	54.7	6.1
Equipment/Computers	64.8	31.7	3.5	61.4	37.4	1.2
Supplies (postage, copying, etc.)	41.7	48.2	10.1	42.0	52.0	6.0
Funds for Training	37.0	60.1	2.9	35.9	60.6	3.5
Funds for Staff Travel	39.5	57.6	2.9	37.5	58.8	3.7

Table 2-8: Changes in Resources Needed for the Delivery of Financial Aid for Direct Loan Institutions by Type and Control

Academic Year 1997-98

		Institutional Type and Control				
Materials/Training Provided by ED	Level of Change	4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Number of permanent or temporary staff positions related to financial aid	Significant Decrease	3.9	0.0	0.5	0.0	2.3
	2	10.0	3.2	4.4	0.0	2.3
	3	66.0	66.3	69.8	78.8	79.4
	4	18.6	24.8	21.6	16.1	15.6
	Significant Increase	1.4	5.7	3.7	5.1	0.3
Number of permanent or temporary staff positions in Accounting or Business Office	Significant Decrease	1.9	0.0	1.0	0.0	1.2
	2	5.8	5.0	1.0	0.0	1.7
	3	79.3	77.7	88.0	87.6	85.2
	4	12.6	16.5	9.9	12.4	11.9
	Significant Increase	0.5	0.8	0.0	0.0	0.0
Number of staff used for technical support	Significant Decrease	1.0	0.0	0.0	0.0	1.2
	2	2.4	1.7	1.5	0.0	1.4
	3	66.3	65.0	71.6	66.2	83.3
	4	26.0	29.3	22.6	22.2	12.8
	Significant Increase	4.3	4.0	4.3	11.5	1.3
Number of hours developing/ modifying computer programs/ procedures	Significant Decrease	2.0	0.0	0.5	0.0	1.2
	2	3.8	2.5	1.0	0.0	0.3
	3	32.6	25.0	39.0	44.2	53.9
	4	41.1	38.7	46.7	34.0	34.4
	Significant Increase	20.5	33.9	12.8	21.8	10.2
Number of hours current staff work	Significant Decrease	4.8	0.0	1.0	6.4	1.2
	2	10.9	5.5	4.5	0.0	0.5
	3	49.8	46.0	46.0	40.4	64.6
	4	23.5	26.5	37.1	38.9	25.8
	Significant Increase	11.0	22.0	11.4	14.3	7.9
Equipment/computers	Significant Decrease	1.4	0.0	0.0	0.0	0.0
	2	0.0	2.5	0.0	0.0	1.4
	3	39.9	25.9	33.0	27.1	42.2
	4	39.8	34.4	37.2	34.8	41.3
	Significant Increase	18.8	37.2	29.9	38.0	15.0
Supplies (postage, copying, etc.)	Significant Decrease	2.3	0.8	1.9	0.0	2.6
	2	7.6	4.8	3.4	6.4	1.9
	3	40.8	42.7	44.5	57.1	63.5
	4	31.1	32.5	36.3	22.5	28.5
	Significant Increase	18.3	19.3	13.9	14.1	3.5
Funds for training	Significant Decrease	3.0	0.0	0.0	0.0	1.4
	2	3.4	2.5	0.5	0.0	2.6
	3	58.0	49.2	66.2	65.2	62.4
	4	29.1	26.6	27.1	28.4	29.8
	Significant Increase	6.5	21.7	6.2	6.4	3.8
Funds for staff travel	Significant Decrease	3.0	0.0	0.0	0.0	1.4
	2	4.3	2.5	0.5	0.0	2.6
	3	54.7	40.3	61.8	59.8	65.0
	4	31.0	31.3	31.9	22.0	26.9
	Significant Increase	7.0	25.9	5.7	18.2	4.1

Table 2-9: Changes in Resources Needed for the Delivery of Financial Aid for FFEL Institutions by Type and Control Academic Year 1997-98

Materials/Training Provided by ED	Level of Change	Institutional Type and Control				
		4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Number of permanent or temporary staff positions related to financial aid	Significant Decrease	2.9	1.7	0.8	1.4	0.3
	2	6.2	3.0	3.8	2.6	5.4
	3	73.3	87.5	77.2	88.4	78.8
	4	14.0	7.2	17.7	5.9	11.8
	Significant Increase	3.5	0.5	0.5	1.6	3.6
Number of permanent or temporary staff positions in the Accounting or Business Office	Significant Decrease	1.0	0.7	0.9	0.0	0.2
	2	3.5	1.7	2.9	4.4	3.7
	3	85.7	90.1	81.8	88.6	84.9
	4	9.0	6.0	13.9	6.5	9.8
	Significant Increase	0.7	1.5	0.4	0.4	1.4
Number of staff used for technical support	Significant Decrease	1.4	1.2	0.7	0.4	0.0
	2	6.1	2.6	3.8	2.6	2.6
	3	76.0	86.6	79.8	87.3	86.3
	4	14.4	8.1	14.9	8.6	9.0
	Significant Increase	2.1	1.6	0.9	1.0	2.1
Number of hours developing/ modifying computer programs or systems	Significant Decrease	1.8	0.3	1.2	0.5	0.2
	2	4.8	1.6	3.0	2.9	3.1
	3	41.0	58.2	49.6	60.9	50.8
	4	36.6	26.2	31.7	23.7	34.0
	Significant Increase	15.7	13.7	14.6	12.0	12.0
Number of hours current staff work	Significant Decrease	0.7	0.6	0.5	0.0	0.0
	2	3.8	1.5	3.8	3.0	2.2
	3	62.0	63.6	60.0	68.4	64.9
	4	25.9	26.2	30.6	25.3	23.0
	Significant Increase	7.7	8.1	5.2	3.3	10.0
Equipment/computers	Significant Decrease	0.0	0.0	0.7	1.0	0.7
	2	1.1	1.[illegible]	0.4	0.0	2.6
	3	49.4	55.[illegible]	44.5	53.7	49.2
	4	40.2	32.[illegible]	43.2	31.3	33.4
	Significant Increase	9.3	10.4	11.2	14.0	14.1
Supplies (postage, copying, etc.)	Significant Decrease	1.7	0.1	0.9	0.4	1.0
	2	7.0	3.0	7.5	5.5	3.2
	3	57.4	65.6	60.2	70.4	64.8
	4	25.1	27.8	25.9	19.6	26.9
	Significant Increase	8.8	3.5	5.5	4.1	4.1
Funds for training	Significant Decrease	1.5	1.4	0.5	1.5	0.3
	2	5.6	6.0	3.0	5.3	1.5
	3	78.1	77.9	74.3	75.9	72.1
	4	12.7	13.7	17.8	16.2	19.7
	Significant Increase	2.1	1.0	4.4	1.1	6.4
Funds for staff travel	Significant Decrease	1.8	2.6	1.5	2.6	0.5
	2	7.3	5.6	3.0	5.2	2.2
	3	76.4	76.1	72.9	75.5	70.8
	4	13.4	14.5	19.4	16.7	20.0
	Significant Increase	1.1	1.3	3.3	0.0	6.6
Development/modification of computer programs/procedures	Significant Decrease	0.0	0.3	1.0	0.5	0.9
	2	3.9	2.0	1.6	1.4	1.7
	3	36.4	53.8	38.8	49.6	45.7
	4	46.3	32.6	47.1	36.0	38.3
	Significant Increase	13.4	11.3	11.5	12.5	13.4

Table 2-10: Changes in Workload Resulting from Implementation of the Direct Loan Program Academic Year 1997-98

Administrative Function	All Direct Loan Institutions		
	Decrease (%)	Same (%)	Increase (%)
Overall Level of Change in Workload	14.4	31.3	54.3
Training Financial Aid Staff	4.8	32.8	62.3
Counseling Borrowers on Direct Lending	3.9	63.5	32.7
Processing Loan Applications	23.8	36.5	39.8
Processing Promissory Notes	16.6	31.5	52.0
Creating and Transmitting Origination Records	10.8	35.5	53.6
Advising Borrowers on Status of Loans	18.6	50.4	31.0
Requesting and Receiving Loan Funds	21.6	45.0	33.3
Disbursing Loan Funds to Borrowers	26.1	44.5	29.4
Recordkeeping and Reporting	11.1	36.1	52.8
Canceling and Changing Loans	19.5	36.8	43.7
Cash Management	8.6	33.6	57.7
Reconciliation	5.3	22.7	72.0

Table 2-11: Changes in Workload Resulting from Implementation of the Direct Loan Program
Direct Loan Institutions
by Cohort
Academic Year 1997-98

Administrative Function	Direct Loan Institutions								
	Direct Loan 1st Yr.			Direct Loan 2nd Yr.			Direct Loan 3rd Yr.		
	Decrease (%)	Same (%)	Increase (%)	Decrease (%)	Same (%)	Increase (%)	Decrease (%)	Same (%)	Increase (%)
Overall Level of Change in Workload	30.5	37.3	32.1	12.7	29.9	57.5	10.5	36.7	52.8
Training Financial Aid Staff	15.3	37.9	46.8	4.1	33.5	62.4	3.6	29.8	66.6
Counseling Borrowers on Direct Lending	14.1	64.9	21.0	3.4	63.9	32.6	0.0	62.7	37.3
Processing Loan Applications	38.8	34.6	26.6	22.7	37.9	39.4	20.9	38.9	40.2
Processing Promissory Notes	23.0	36.4	40.6	17.4	31.6	51.0	11.4	32.1	56.4
Creating and Transmitting Origination Records	19.8	38.2	42.0	10.5	36.0	53.6	7.4	37.8	54.9
Advising Borrowers on Status of Loans	30.2	44.0	25.8	15.9	53.2	30.9	24.1	46.4	29.5
Requesting and Receiving Loan Funds	29.1	47.7	23.2	21.3	43.3	35.5	19.9	53.3	26.8
Disbursing Loan Funds to Borrowers	36.5	42.5	21.1	23.4	46.0	30.6	31.9	40.3	27.8
Recordkeeping and Reporting	20.7	36.9	42.3	9.7	36.1	54.2	12.2	35.7	52.1
Canceling and Changing Loans	30.7	38.6	30.8	16.9	37.7	45.4	22.8	35.4	41.8
Cash Management	22.0	34.9	43.1	7.4	33.1	59.6	6.1	35.6	58.3
Reconciliation	16.8	20.8	62.5	3.3	22.4	74.3	7.2	23.8	69.0

Table 2-12: Changes in Workload Resulting From Implementation of the Direct Loan Program
Direct Loan Institutions
by Type and Control
Academic Year 1997-98

		Direct Loan Institutions				
		Institutional Type and Control				
Administrative Function	Change in Workload	4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Overall Level of Change in Workload	Decrease	28.0	11.0	17.2	6.4	7.7
	Same	23.0	23.5	26.6	28.9	40.2
	Increase	49.1	65.5	56.2	64.7	52.1
Training Financial Aid Staff	Decrease	11.7	1.5	4.4	0.0	2.9
	Same	23.8	26.5	29.6	24.5	41.2
	Increase	64.5	72.0	66.0	75.5	55.9
Counseling Borrowers on Direct Lending	Decrease	10.9	3.0	2.0	0.0	1.7
	Same	57.4	50.0	72.8	68.5	66.0
	Increase	31.7	47.0	25.2	31.5	32.3
Processing Loan Applications	Decrease	40.1	22.7	30.1	18.2	13.1
	Same	23.1	27.3	34.3	35.3	47.2
	Increase	36.8	49.9	35.7	46.5	39.7
Processing Promissory Notes	Decrease	23.9	12.0	21.6	13.5	12.0
	Same	19.4	23.1	29.9	37.3	40.6
	Increase	56.7	64.9	48.5	49.2	47.4
Creating and Transmitting Origination Records	Decrease	18.5	7.1	13.5	0.0	7.4
	Same	26.1	32.6	32.4	35.3	42.7
	Increase	55.4	60.3	54.1	64.7	49.9
Advising Borrowers on Status of Loans	Decrease	36.8	21.8	20.9	6.4	8.0
	Same	33.8	36.2	45.7	52.4	65.2
	Increase	29.5	42.0	33.4	41.2	26.8
Requesting and Receiving Loan Funds	Decrease	31.3	21.2	28.3	18.0	14.0
	Same	36.9	36.6	43.1	57.5	51.9
	Increase	31.9	42.1	28.6	24.5	34.1
Disbursing Loan Funds to Borrowers	Decrease	42.7	23.9	27.7	18.2	18.2
	Same	32.2	35.4	35.7	53.5	57.1
	Increase	25.2	40.6	36.6	28.4	24.7
Recordkeeping and Reporting	Decrease	17.6	14.4	13.9	0.0	6.0
	Same	30.7	35.4	29.1	24.6	43.1
	Increase	51.7	50.3	57.1	75.4	50.8
Canceling and Changing Loans	Decrease	31.4	23.1	20.8	22.0	11.4
	Same	23.6	29.6	30.9	35.3	48.6
	Increase	45.1	47.3	48.2	42.7	40.0
Cash Management	Decrease	17.8	8.6	12.8	6.4	2.2
	Same	29.8	34.8	27.7	34.2	37.9
	Increase	52.4	56.6	59.6	59.4	59.8
Reconciliation	Decrease	11.1	3.9	5.8	0.0	2.9
	Same	11.7	24.4	14.4	12.8	32.1
	Increase	77.2	71.7	79.8	87.2	64.9

Table 2-13: Temporary Versus Permanent Changes in Workload Resulting from Implementation of the Direct Loan Program

Academic Year 1997-98

Change in Workload	Direct Loan Institutions			
	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)
Temporary	5.9	13.8	31.0	16.6
Permanent	94.1	86.2	69.0	83.4

Table 2-14: Software Configuration for Direct Loan and FFEL Institutions by Type and Control
Academic Year 1997-98

Program	Software Configuration	Institutional Type and Control					
		4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)	All (%)
Direct Loan	EDExpress software	55.0	74.0	89.5	89.3	56.3	65.8
	Commercial software	35.7	27.5	15.1	10.5	6.7	17.3
	Software developed in house	26.7	17.1	7.0	0.0	1.9	10.1
	Third-party servicer's software	6.7	9.7	2.8	5.4	41.3	21.3
FFEL	Guaranty-agency software	61.7	45.3	64.4	44.1	29.9	49.3
	Lender software	6.2	2.6	6.2	3.0	3.9	4.4
	Software developed in house	37.4	18.3	15.6	16.9	9.8	17.2
	Third-party servicer's software	18.8	11.7	11.6	10.1	37.4	18.3
	Commercial software	28.1	21.9	18.8	12.6	8.6	17.5

Table 2-15: Software Satisfaction for Direct Loan and FFEL Institutions
Academic Year 1997-98

Performance Area	Level of Satisfaction	Direct Loan Institutions		FFEL Institutions
		ED Express Software	Commercial Software	Software Utilized
Overall usefulness of software	Very Satisfied	31.0	27.3	34.4
	2	40.5	38.0	37.2
	3	18.6	22.2	20.8
	4	6.8	9.3	6.0
	Very Dissatisfied	3.1	3.1	1.6
Ease of integration and compatibility with your previously existing system	Very Satisfied	22.2	30.7	30.2
	2	34.9	35.4	34.0
	3	23.5	21.7	25.3
	4	14.5	8.5	7.9
	Very Dissatisfied	4.9	3.7	2.6
Processing efficiency	Very Satisfied	29.2	35.0	34.3
	2	40.4	30.8	34.6
	3	18.4	24.6	21.8
	4	9.1	7.1	6.9
	Very Dissatisfied	2.9	2.5	2.3

Table 3-1: Timeliness/Usefulness of ED-Provided Materials and Training

Direct Loan Institutions

Academic Year 1997-98

(Percentage of Institutions Rating Activities Either Timely or Useful)

ED-Provided Materials/Training	Direct Loan Institutions	
	Timeliness (%)	Usefulness (%)
Information on Direct Loan Rules and Regulations	77.1	80.1
Telephone Support for Policy and Administrative Guidance	62.4	71.1
Direct Loan Users Guide	67.6	66.6
In-Person Assistance	62.1	67.8
Borrower Counseling Materials	76.6	83.3
Consolidation Booklet	65.3	71.0
Training Materials for Counselors	70.0	71.5
Entrance/Exit Counseling Videos	72.5	70.0
Pre-printed Promissory Notes	82.8	87.5
Reconciliation Guide	56.3	58.0
Loan Origination Support	60.6	64.9
Loan Reconciliation Support	46.7	49.7
Training and Technical Support	59.3	59.6
Software for Administration or Reporting Functions	62.5	65.0
Videoconferences	61.0	54.7

Table 3-2: Timeliness/Usefulness of ED/Lender/Guarantee Agency Provided Materials and Training FFEL Institutions
Academic Year 1997-98
(Percentage of Institutions Rating Activities Either Timely or Useful)

Agency-Provided Materials and Training	FFEL Institutions					
	Timeliness			Usefulness		
	ED (%)	Lender (%)	GA (%)	ED (%)	Lender (%)	GA (%)
Information on FFEL Program Rules and Regulations	63.6	74.8	81.8	72.2	76.8	83.1
Telephone Support for Policy or Administrative Guidance	54.6	78.7	80.8	62.9	80.0	82.2
Borrower Counseling Materials	61.1	81.7	78.4	65.1	82.3	80.3
Training Sessions	58.7	67.9	75.3	65.2	72.1	77.4
Software for Administrative or Reporting Functions	53.6	68.5	76.9	60.1	71.3	77.5

Table 3-3: Timeliness/Usefulness of ED Provided Materials and Training Direct Loan and FFEL Institutions
Academic Year 1997-98
(Percentage of Institutions Rating Activities Either Timely or Useful)

ED-Provided Materials and Training	Loan Program Participation			
	Timeliness		Usefulness	
	DL (%)	FFEL (%)	DL (%)	FFEL (%)
Information on Program Rules and Regulations	77.1	63.6	80.1	72.2
Telephone Support for Policy or Administrative Guidance	65.4	54.6	71.1	62.9
Borrower Counseling Materials	76.6	61.1	83.3	65.1
Software for Administrative or Reporting Functions	62.5	53.6	65.0	60.2

Table 3-4: Timeliness/Usefulness of ED-Provided Materials and Training
Direct Loan Institutions
Academic Years 1994-95, 1995-96, 1996-97, 1997-98
(Percentage of Institutions Rating Activities Either Timely or Useful)

ED-Provided Materials/Training	Direct Loan Institutions							
	1994-95		1995-96		1996-97		1997-98	
	Timeliness (%)	Usefulness (%)	Timeliness (%)	Usefulness (%)	Timeliness (%)	Usefulness (%)	Timeliness (%)	Usefulness (%)
Information on Direct Loan Rules and Regulations	88.8	94.3	86.3	86.6	72.3	79.7	77.1	80.1
Telephone Support for Policy and Administrative Guidance	89.3	95.2	86.9	90.8	56.3	68.5	65.4	71.1
Direct Loan Users Guide	89.7	85.2	87.3	80.8	62.4	66.7	67.6	66.6
In-Person Assistance	92.5	96.5	87.0	87.7	57.0	65.7	62.1	67.8
Borrower Counseling Materials	75.0	93.2	91.5	93.2	68.9	85.7	76.6	83.3
Training Materials for Counselors	NA	NA	91.9	88.8	65.8	74.1	70.0	71.5
Entrance/Exit Counseling Videos	NA	NA	89.4	74.6	71.5	72.3	72.5	70.0
Pre-printing Promissory Notes	88.4	98.1	93.6	95.4	83.1	89.6	82.8	87.5
Reconciliation Guide	NA	NA	80.7	76.0	57.0	58.7	56.3	58.0
Consolidation Booklet	NA	NA	85.3	87.2	61.0	69.1	65.3	71.0
Loan Origination Support	93.9	96.5	91.9	90.8	56.5	64.2	60.6	64.9
Loan Reconciliation Support	NA	NA	82.0	85.0	40.7	51.5	46.7	49.7
Training and Technical Support	NA	NA	84.5	82.2	53.6	61.8	59.3	59.6
Software for Administration or Reporting Functions	NA	NA	NA	NA	53.4	55.7	62.5	65.0
Videoconferences	NA	NA	80.8	69.6	52.1	51.4	61.0	54.7

Table 3-5: Timeliness/Usefulness of ED Provided Materials and Training
FFEL Institutions
Academic Years 1994-95, 1995-96, 1996-97, 1997-98
(Percentage of Institutions Rating Activities Either Timely or Useful)

ED-Provided Materials and Training	FFEL Institutions							
	Timeliness				Usefulness			
	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)
Information on FFEL Program Rules and Regulations	48.8	53.4	56.3	63.6	65.5	60.7	66.4	72.2
Telephone Support for Policy or Administrative Guidance	53.9	52.3	47.2	54.6	62.9	66.6	57.4	62.9
Borrower Counseling Materials	66.3	65.1	55.7	61.1	68.2	70.8	58.4	65.1
Training Sessions	62.2	60.1	54.3	58.7	67.4	65.6	61.2	65.2
Software for Administrative or Reporting Functions	68.5	55.5	47.2	53.6	68.4	69.6	50.2	60.1

Table 3-6: Timeliness/Usefulness of Lender
Provided Materials and Training FFEL Institutions
Academic Years 1994-95, 1995-96, 1996-97, 1997-98
(Percentage of Institutions Rating Activities Either Timely or Useful)

Lender-Provided Materials and Training	FFEL Institutions							
	Timeliness				Usefulness			
	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)
Information on FFEL Program Rules and Regulations	82.4	85.3	73.9	74.8	83.5	85.9	78.7	76.8
Telephone Support for Policy or Administrative Guidance	85.0	88.0	78.9	78.7	85.9	87.8	81.5	80.0
Borrower Counseling Materials	87.5	88.4	81.2	81.7	87.3	88.3	82.1	82.3
Training Sessions	82.6	83.7	68.4	67.9	82.5	83.3	72.9	72.1
Software for Administrative or Reporting Functions	87.1	82.2	66.7	68.5	85.4	80.1	73.0	71.3

Table 3-7: Timeliness/Usefulness of Guaranty Agency-Provided Materials and Training

FFEL Institutions

Academic Years 1994-95, 1995-96, 1996-97, 1997-98

(Percentage of Institutions Rating Activities Either Timely or Useful)

Guaranty Agency-Provided Materials and Training	FFEL Institutions							
	Timeliness				Usefulness			
	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)
Information on FFEL Program Rules and Regulations	83.2	86.5	80.2	81.8	85.0	88.1	82.5	83.1
Telephone Support for Policy or Administrative Guidance	84.6	88.0	82.5	80.8	86.4	89.1	83.5	82.2
Borrower Counseling Materials	87.6	87.8	79.3	78.4	87.2	87.4	80.6	80.3
Training Sessions	84.6	86.0	75.0	58.9	84.2	83.7	77.6	77.4
Software for Administrative or Reporting Functions	86.4	85.7	72.6	76.9	86.5	83.9	75.7	77.5

Table 3-8: Timeliness/Usefulness of ED Information and Support

Direct Loan Institutions

Academic Year 1997-98

(Percentage of Institutions Rating Activities as Timely/Useful)

ED Provided Materials and Training	Direct Loan Institutions							
	Timeliness				Usefulness			
	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)	1st Yr (%)	2nd Yr (%)	3rd Yr (%)	Combined (%)
Information on Direct Loan Program rules and regulations	79.8	76.1	80.8	77.1	90.4	79.8	80	80.1
Telephone support for policy or administrative guidance	64.4	65.1	70.5	65.4	70.1	70.2	80.1	71.1
Direct Loan Users Guide	81.4	65.3	69.7	67.6	76.6	65.6	65.2	66.6
In-person assistance	64.2	61	64.8	62.1	69.9	66.2	79.1	67.8
Borrower counseling materials	81.8	75.6	78.6	76.6	82.7	82.7	87.2	83.3
Consolidation booklet	64.7	66.2	62.4	65.3	68.6	74	63.7	71
Training materials for counselors	75.8	69.7	68.9	70	76.8	69.7	76.9	71.5
Entrance/exit counseling videos	73.3	71.2	77.2	72.5	56.1	70	77.8	70
Preprinted promissory notes	85.8	82.7	81.2	82.8	91.2	88.3	83.2	87.5
Reconciliation guide	70.3	54.4	57.3	56.3	73.8	57	55.9	58
Loan origination support	64.2	59.2	62.6	60.6	66.2	63.3	71.4	64.9
Loan reconciliation support	47.6	43.7	55.7	46.7	51	46.7	61.5	49.7
Training and technical support	66.6	56.2	66	59.3	69.3	58.5	61.5	59.6
Software for administration or reporting functions	66.3	58.2	78.6	62.5	67	62.8	73.7	65
Videoconferences	70	59.8	66.4	61	59.9	52.3	71.9	54.7

Table 3-9: Satisfaction with Timeliness/Usefulness of ED's Information and Support
Direct Loan Institutions
Academic Year 1997-98
(Percentage of Institutions Rating Information/Support Satisfactory)

ED-Provided Materials/Training	DL Satisfaction			
	100%		Mixed	
	Timeliness (%)	Usefulness (%)	Timeliness (%)	Usefulness (%)
Information on Direct Loan Rules and Regulations	77.7	81.6	75.7	76.8
Telephone Support for Policy and Administrative Guidance	69.9	73.7	55.7	65.6
Direct Loan Users Guide	72.0	68.1	58.4	63.6
In-Person Assistance	67.2	71.7	52.7	60.9
Borrower Counseling Materials	78.4	82.6	72.8	84.9
Consolidation Booklet	66.9	71.5	61.9	70.0
Training Materials for Counselors	72.0	71.0	66.0	72.5
Entrance/Exit Counseling Videos	76.4	69.1	64.3	72.1
Pre-printed Promissory Notes	86.0	89.6	76.0	83.1
Reconciliation Guide	60.6	61.0	46.8	51.4
Loan Origination Support	62.8	66.1	55.6	62.1
Loan Reconciliation Support	50.5	53.2	38.3	42.1
Training and Technical Support	64.2	64.6	48.6	48.9
Software for Administration or Reporting Functions	64.6	70.2	57.8	53.1
Videoconferences	62.6	58.1	57.1	45.1

Table 3-10: Frequency of Communications with Servicers Regarding Loan Repayment and Consolidation Direct Loan and FFEL Institutions Academic Year 1997-98

	Loan Program Participation							
	Direct Loan				FFEL			
Loan Consolidation/ Repayment Activities	Frequently (%)	Sometimes (%)	Seldom (%)	Never (%)	Frequently (%)	Sometimes (%)	Seldom (%)	Never (%)
Refer borrowers to servicer(s) for loan repayment information and/or materials	32.5	41.8	17	8.6	27.0	47.9	17.5	7.6
Contact servicer directly to obtain loan repayment forms/information	20.2	51.7	17.8	10.3	28.7	48.3	16.7	6.2
Intervene with servicer(s) at the request of borrowers regarding loan repayment issues	11.4	42.2	29.8	16.5	16.8	46.2	28.1	8.8
Refer borrowers to loan origination center/servicer for consolidation information and/or materials	31.4	33.9	19.0	15.8	19.1	37.3	25.2	18.4
Contact loan origination center/servicer directly to obtain forms/information	10.4	31.5	33.0	25.1	7.5	28.9	36.0	27.7
Intervene with loan origination center/servicer at the request of borrowers	6.9	30.4	30.9	31.8	5.4	26.0	35.5	33.2

Table 3-11: Satisfaction with Communications with Servicers Concerning Loan Repayment and Consolidation by Loan Program Academic Year 1997-98 (Percentage of Institutions Rating Communications Satisfactory)

	Loan Program Participation		
Type of Communications	DL (%)	FFEL (%)	All (%)
Loan Repayment	61.6	73.5	70.8
In-School Consolidation	48.2	59.6	56.6
Out-of-School Consolidation	44.3	59.5	55.8

Table 3-12 : Satisfaction with Communications with Servicers
Concerning Loan Repayment and Consolidation
Direct Loan and FFEL Institutions
Academic Years 1994-95, 1995-96, 1996-97, 1997-98

		Loan Program Participation							
		Direct Loan Institutions				FFEL Institutions			
Type of Communications	Level of Satisfaction	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)
Loan Repayment	Very Satisfied	NA	33.4	31.5	21.8	NA	NA	46.7	30.2
	2	NA	41.8	38.8	39.8	NA	NA	38.0	43.3
	3	NA	20.5	25.7	31.4	NA	NA	13.2	22.0
	4	NA	3.0	3.3	4.9	NA	NA	1.3	3.1
	Very Dissatisfied	NA	1.3	0.7	2.0	NA	NA	0.7	1.4
In-School Consolidation	Very Satisfied	NA	21.0	21.7	16.6	NA	NA	35.4	21.5
	2	NA	32.7	39.0	31.5	NA	NA	38.7	38.1
	3	NA	26.4	29.5	36.3	NA	NA	23.2	32.5
	4	NA	9.6	6.6	9.1	NA	NA	1.9	4.9
	Very Dissatisfied	NA	10.3	3.2	6.4	NA	NA	0.8	3.1
Out-of-School Consolidation	Very Satisfied	NA	24.3	22.3	13.2	NA	NA	36.8	21.6
	2	NA	38.3	38.7	31.1	NA	NA	38.5	37.9
	3	NA	25.2	25.7	40.2	NA	NA	21.8	30.8
	4	NA	7.7	5.4	8.7	NA	NA	1.9	6.4
	Very Dissatisfied	NA	4.6	7.8	6.9	NA	NA	1.0	3.3

Table 3-13: Satisfaction with Communications with Servicers
DL and FFEL Institutions
by Type and Control
Academic Year 1997-98

Program	Communication	Level of Satisfaction	Institutional Type and Control				
			4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Direct Loan	Loan Repayment	Very Satisfied	17.4	12.8	16.8	11.9	29.9
		2	45.7	42.1	42.5	65.7	33.1
		3	30.7	43.1	32.7	22.4	28.3
		4	5.5	2.0	5.8	0.0	5.3
		Very Dissatisfied	0.7	0.0	2.1	0.0	3.4
	In-school Direct Loan Consolidation	Very Satisfied	9.4	5.9	11.7	17.9	26.2
		2	33.6	44.5	27.3	48.4	28.3
		3	41.1	35.8	40.3	11.2	32.8
		4	11.6	10.8	12.9	0.0	5.8
		Very Dissatisfied	4.3	3.0	7.8	22.5	6.9
	Out-of-school Direct Loan Consolidation	Very Satisfied	7.6	4.2	11.4	0.0	20.9
		2	38.5	33.9	26.8	60.3	26.8
		3	35.1	52.2	42.9	25.7	39.1
		4	12.2	5.5	11.1	0.0	6.2
		Very Dissatisfied	6.6	4.2	7.8	14.0	6.9
FFEL	Loan Repayment	Very Satisfied	36.5	28.7	30.5	28.0	29.5
		2	44.7	44.3	45.8	48.0	36.9
		3	17.7	44.3	21.1	20.9	24.9
		4	0.7	3.0	2.0	2.5	5.8
		Very Dissatisfied	0.4	1.5	0.7	0.6	2.9
	In-school FFEL Consolidation	Very Satisfied	23.1	19.5	20.4	23.7	23.3
		2	41.5	38.0	42.2	39.3	30.3
		3	41.5	34.1	32.0	31.5	32.1
		4	2.9	5.4	3.0	4.3	8.1
		Very Dissatisfied	0.5	3.0	2.3	1.1	6.2
	Out-of-school FFEL Consolidation	Very Satisfied	21.4	22.5	20.8	18.0	23.3
		2	43.2	36.2	41.0	40.2	31.3
		3	31.9	32.5	31.5	32.6	27.2
		4	3.0	6.3	4.0	7.5	11.4
		Very Dissatisfied	0.4	2.5	2.7	1.7	6.7

Table 3-14: Satisfaction with Communications and Support Received from ED Loan Origination Center and ED Loan Servicer
Direct Loan Institutions
Academic Year 1997-98

Level of Satisfaction with Communications/ Support	Direct Loan Institutions	
	ED Loan Origination Center	ED Loan Servicer
Very Satisfied	24.7	21.7
2	34.8	41.2
3	25.0	25.3
4	11.7	10.1
Very Dissatisfied	3.9	1.8

Table 3-15: Satisfaction with Communications and Support from Loan Servicers By Loan Program
Academic Year 1997-98

Level of Satisfaction	Loan Program Particpation		
	DL (%)	FFEL (%)	All (%)
Very Satisfied	21.6	31.9	29.3
2	41.2	44.0	43.3
3	25.3	20.0	21.3
4	10.1	3.0	4.8
Very Dissatisfied	1.8	1.2	1.3

Table 3-16: Level of Satisfaction with Servicer(s) by Type and Control
FFEL Institutions
Academic Year 1997-98

Level of Satisfaction	Institutional Type and Control					
	4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)	Combined (%)
Very Satisfied	34.5	31.0	32.5	33.1	30.2	31.8
2	48.8	43.4	46.8	34.7	42.4	44.0
3	12.1	21.6	17.2	29.3	21.7	20.0
4	4.2	2.7	2.7	2.0	3.6	3.0
Very Dissatisfied	0.3	1.3	0.7	1.0	2.1	1.2

Table 3-17: Satisfaction with Support from Loan Origination Center Exclusively Direct Loan and Mixed Program Institutions Academic Year 1997-98

Level of Satisfaction	Direct Loan Institutions	
	100% (%)	Mixed (%)
Very Satisfied	29.5	14.3
2	33.4	37.7
3	22.3	31.0
4	10.8	13.7
Very Dissatisfied	4.1	3.4

Table 3-18: Satisfaction with Support from Servicer Exclusively Direct Loan and Mixed Program Institutions Academic Year 1997-98

Level of Satisfaction	Direct Loan Institutions	
	100% (%)	Mixed (%)
Very Satisfied	26.8	10.7
2	39.7	44.4
3	24.2	27.6
4	8.3	13.8
Very Dissatisfied	1.0	3.5

Table 3-19: Overall Level of Communications and Support Provided by ED Loan Origination Center and Servicer
Direct Loan Institutions
Academic Year 1997-98

Level of Support/Communication	Direct Loan Institutions	
	ED Loan Origination Center (%)	ED Servicer (%)
Better than 1996-1997	33.8	26.9
About the Same	42.4	60.7
Worse than 1996-1997	23.8	12.4

Table 3-20: Relative Satisfaction with Communications and Support Provided by Servicer
Direct Loan and FFEL Institutions
Academic Year 1997-98

Level of Support/Communication	Servicer	
	FFEL Servicer (%)	ED Servicer (%)
Better than 1996-1997	30.1	26.9
About the same	66.7	60.7
Worse than 1996-1997	3.2	12.4

Table 3-21: Possible Interactions with ED's Loan Origination Center
Direct Loan Institutions
Academic Year 1997-98
(Percentage of Institutions Selecting Interaction As One of the Two Most/Least Satisfying)

Type of Interaction	Direct Loan Institutions	
	Most Satisfied (%)	Least Satisfied (%)
Loan origination	79.4	6.1
Estimation and drawdown	32.6	8.4
Loan changes and cancellations	27.3	35.0
Reconciliation	6.6	67.8
Processing deferments	7.8	12.8
Loan Servicing	21.3	16.7
SSCRs	13.6	35.6

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Table 3-22: Contact with CAM Regional Office

Direct Loan Institutions

Academic Year 1997-98

Contact with CAM Regional Office	Direct Loan Institution (%)
Yes	73.5
No	26.5

Table 3-23: Initiators of Contact with CAM Regional Office

Direct Loan Institutions

Academic Year 1997-98

Initiators of Contact with CAM Regional Office	Direct Loan Institution (%)
Institution	31.9
Regional Office	14.1
Both the institution and the Regional Office	54.0

Table 3-24: Level of Contact with Regional Office CAMs

Direct Loan Institutions

Academic Year 1997-98

Level of Interaction	FFEL Institutions			
	1994-95 (%)	1995-96 (%)	1996-97 (%)	1997-98 (%)
Extensive interaction	NA	18.6	23.8	18.4
Some interaction	NA	62.9	52.9	53.1
Very little interaction	NA	18.5	23.2	28.5

Table 3-25: Contact with ED Regional Office
Direct Loan Institutions
Academic Year 1997-98
(Percentage of Institutions *Rating Activities Satisfactory*)

Type of Contact	Direct Loan Institutions	
	Timeliness (%)	Usefulness (%)
Training Received at the Regional Office(or at a designated facility)	77.1	79.3
Training/Guidance Delivered by Account Managers at your Institution	76.1	79.3
Handling Questions Regarding Direct Loan Policy	78.7	79.4
Entrance/Exit Counseling Issues	70.8	71.7
Requests for ED-Provided Materials	76.7	79.8
Questions/Issues Regarding Computer Systems Design or Implementation	68.7	63.8
Questions/Issues Regarding Loan Origination	73.0	72.9
Questions/Issues Regarding Disbursement and/or Refunding of Excess Funds to Borrowers	68.6	67.5
Reconciliation Issues	59.7	61.6
Client Account Manager's liaison with servicer, loan originator contractor, or software contractor	76.2	71.4

Table 3-26 : Satisfaction with Client Account Manager's Knowledge of Financial Aid Policies and Procedures
Direct Loan Institutions
Academic Year 1997-98

Level Of Satisfaction	All Direct Loan Institutions (%)
Very Satisfied	44.8
2	32.2
3	19.1
4	3.0
Very Dissatisfied	0.9

Table 3-27: Knowledge of CAMs by Region
Direct Loan Institutions
Academic Year 1997-98

Region	Direct Loan Institutions				
	Level of Satisfaction				
	Very Satisfied	2	3	4	Very Dissatisfied
Region 1 Boston, MA	57.2	35.1	7.7	0.0	0.0
Region 2 New York, NY	37.8	26.0	31.5	3.6	1.2
Region 3 Philadelphia, PA	29.3	48.8	16.2	3.8	1.9
Region 4 Atlanta, GA	34.9	36.0	25.0	2.0	2.1
Region 5 Chicago, IL	35.4	36.5	23.8	2.3	2.1
Region 6 Dallas, TX	46.0	27.2	15.7	11.1	0.0
Region 7 Kansas City, KS	55.4	28.8	14.7	1.1	0.0
Region 8 Denver, CO	66.5	13.1	20.4	0.0	0.0
Region 9 San Francisco, CA	54.1	27.8	15.1	3.1	0.0
Region 10 Seattle, WA	43.7	44.8	3.0	8.5	0.0
Don't Know/Not Sure	0.0	0.0	100.0	0.0	0.0

Table 4-1: Future Status/Plans for Participation in the Direct Loan Program
FFEL Institutions
Academic Year 1997-98

Plans/Status for Participation in the Direct Loan Program	FFEL Institutions (%)
Currently participating in the Direct Loan program	9.1
Institution originated Direct Loans in a previous academic year but no longer participates	1.7
Institution has been selected for participation in the Direct Loan Program but has yet to originate a Direct Loan	5.1
Was accepted into Direct Loan Program but chose not to participate	8.3
Applied for Year 5 of the Direct Loan Program; application accepted or pending	0.5
Will be applying for Year 6 of the Direct Loan Program	1.0
Application for Direct Loan Program rejected	0.5
Not planning to apply for Direct Loan Program	73.8

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Table 4-2: Future Status/ Plans for Participation in the Direct Loan Program
FFEL Institutions
By Type and Control
Academic Year 1997-98

Future Status/Plans for Participation in Direct Loan Program	FFEL Institutions				
	Institutional Type and Control				
	4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Institution originated Direct Loans in previous academic year but no longer participates	1.7	0.7	0.4	0.9	8.7
Institution has been selected for participation but has yet to originate	5.9	2.2	2.5	3.1	20.7
Institution was accepted into Direct Loan Program but chose not to participate	14.0	6.7	6.9	4.3	12.5
Applied for Year 5 of the Direct Loan Program; application accepted or pending	0.7	0.3	0.0	0.5	1.7
Will be Applying for Year 6 of the Direct Loan Program	3.4	1.1	1.3	0.0	1.5
Application for Direct Loan Program rejected	0.0	0.0	0.0	0.5	2.9
Not planning to apply for Direct Loan Program	74.3	89.0	88.8	90.7	51.9

Table 4-3: Direct Loan PLUS Participation by Direct Loan Cohort Academic Year 1997-98

Participation in DL PLUS Program	Direct Loan Institutions			
	Loan Program Participation			
	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)
Yes	90.6	78.8	83.5	79.9
No	9.4	21.2	16.5	20.1

Table 4-4: FFEL PLUS Participation by Type and Control Academic Year 1997-98

Participation in FFEL PLUS Program	Institutional Type and Control					
	4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)	All (%)
Yes	91.1	69.4	77.8	72.2	85.4	78.3
No	8.9	30.6	22.2	27.8	14.6	21.7

Table 4-5: Direct Loan PLUS Participation by Type and Control
Academic Year 1997-98

Participation in DL PLUS Program	Institutional Type and Control					
	4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)	All (%)
Yes	85.8	63.4	82.1	65.2	81.7	79.9
No	14.2	36.6	17.9	34.8	18.3	20.1

Table 4-6: Factors Influencing the Decision to Offer Direct Loans Exclusively
Direct Loan Institutions by Cohort
Academic Year 1997-98

Factors Influencing Decision to be Exclusively Direct Loan	Importance	Direct Loan Institutions			
		1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)
Did not want to confuse borrowers by offering two loan programs.	Very Important	71.4	72.7	61.8	70.7
	Somewhat important	24.3	21.9	30.1	23.3
	Not at all important	4.4	5.4	8.1	5.9
Did not want the complexity of administering two programs simultaneously.	Very Important	82.7	82.6	73.3	81.4
	Somewhat important	17.3	13.4	17.1	14.3
	Not at all important	0.0	4.0	9.6	4.4
Did not want to continue to administer the FFEL Program.	Very Important	64.8	41.3	32.2	42.5
	Somewhat important	21.0	32.3	34.4	31.7
	Not at all important	14.2	26.4	33.4	25.7
Wanted to avoid cash management problems associated with the FFEL Program	Very Important	45.6	39.7	34.9	39.1
	Somewhat important	26.8	29.8	33.3	30.3
	Not at all important	27.6	30.5	31.8	30.6
Wanted to avoid uncertainty of participation in FFEL.	Very Important	25.5	27.4	29.1	26.7
	Somewhat important	18.6	26.5	35.6	27.6
	Not at all important	55.8	46.1	35.4	45.6

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Table 4-7: Factors Influencing the Decision to Participate in Both Direct Loan and FFEL Programs
Direct Loan and FFEL Institutions
by Cohort
Academic Year 1997-98

Factors Influencing Decision to Participate in Both in Both Programs	Importance	Direct Loan and FFEL Institutions			
		1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)
Did not want to confuse borrowers who already had FFEL loans	Very Important	79.7	52.0	75.3	59.6
	Somewhat important	0.0	30.3	23.1	27.4
	Not at all important	20.3	17.7	1.7	13.0
Wanted to delay full commitment until the Department of Education has gained experience with the new program	Very Important	25.1	30.7	42.4	34.1
	Somewhat important	13.3	33.8	41.7	33.4
	Not at all important	61.5	35.5	15.9	32.4
Wanted to learn how to implement the program with a control group before committing all borrowers	Very Important	11.8	33.4	56.3	41.5
	Somewhat important	50.8	35.8	24.6	31.1
	Not at all important	37.4	30.8	19.1	27.4
Wanted to maintain relationships with lender(s) and/or guarantor(s)	Very Important	21.6	62.5	58.1	57.7
	Somewhat important	59.5	26.7	31.1	32.0
	Not at all important	19.0	10.8	10.8	10.3
Wanted to keep graduate/professional students in the FFEL program	Very Important	0.0	53.8	22.5	45.1
	Somewhat important	0.0	13.5	0.0	10.6
	Not at all important	100.0	32.8	77.5	44.4
Wanted to keep FFEL PLUS	Very important	0.0	36.2	31.4	36.8
	Somewhat important	30.7	34.0	41.9	33.9
	Not at all important	69.3	29.8	26.7	29.3

Table 4-8: Composition of Mixed Program Institutions by Cohort Academic Year 1997-98

Direct Loan Cohort	Participation in Both Loan Programs (%)
1st Yr.	3.3
2nd Yr.	66.6
3rd Yr.	23.5
4th Yr.	6.6

Table 4-9: Composition of Mixed Program Institutions by Type and Control Academic Year 1997-98

Mixed Program Institutions				
Institutional Type and Control				
4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
11.1	8.9	14.5	1.3	64.2

Table 4-10: Institutions with Mixed Program Participation
Types of Loans Originated
Academic Year 1997-98

Loan Program	Loan Type(s)	Direct Loan Institutions (%)
FFEL Loans Offered	Offers FFEL Plus Loans Only	6.4
	Offers FFEL Stafford Loans Only	20.5
	Offers FFEL Plus Loans and FFEL Stafford Loans	73.1
Direct Loans Offered	Offers Direct Loan Plus Loans Only	1.6
	Offers Direct Loan Stafford Loans Only	26.4
	Offers Direct Loan Plus Loans and Direct Loan Stafford Loans	72

Table 4-11: Composition of Direct Loan Institutions' Program Participation
Academic Years 1996-97, 1997-98

Loan Program Participation			
1996-97		1997-98	
100% (%)	Mixed (%)	100% (%)	Mixed (%)
63.4	36.6	68.1	31.9

Table 4-12: Future Plans for Program Participation
Mixed Program Institutions
by Type and Control
Academic Year 1997-98

	Direct Loan and FFEL Institutions					
	Institutional Type and Control					
Future Plans	4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)	All (%)
Plan to continue to originate FFEL Staffords and FFEL PLUS loans	26.0	68.2	48.2	54.5	69.6	61.7
Plan to continue to originate FFEL PLUS only	20.4	17.2	6.7	0.0	0.0	4.7
Plan to continue to originate FFEL Staffords only	6.6	0.0	5.8	45.5	8.1	7.2
Plan to switch to exclusively Direct Loan some time in the future	20.4	3.4	17.8	0.0	10.6	11.9
Don't Know/ Not Sure	26.6	11.2	21.6	0.0	11.7	14.6

Appendix B

Distribution of Responses and Response Rates

Distribution of Responses/Sample Representation

Cohort	Institutional Type and Control	Initial Sample (#)	Initial Sample (%)	Respondent Sample (#)	Respondent Sample (%)	Response Rate (%)
All Institutions	2-year private	262	10.03	213	9.44	81.30
	2-year public	593	22.71	540	23.94	91.06
	4-year private	689	26.39	599	26.55	86.94
	4-year public	566	21.68	498	22.07	87.99
	Proprietary	501	19.19	406	18.00	81.04
FFEL Institutions	2-year private	234	12.47	195	11.82	83.33
	2-year public	496	26.43	448	27.15	90.32
	4-year private	545	29.04	472	28.61	86.61
	4-year public	331	17.63	291	17.64	87.92
	Proprietary	271	14.44	244	14.79	90.04
Direct Loan Institutions	2-year private	28	3.81	18	2.97	64.29
	2-year public	97	13.22	92	15.18	94.85
	4-year private	144	19.62	127	20.96	88.19
	4-year public	235	32.02	207	34.16	88.09
	Proprietary	230	31.34	162	26.73	70.43
First Year Direct Loan Institutions	2-year private	6	5.94	5	5.62	83.33
	2-year public	9	8.91	8	8.99	88.89
	4-year private	23	22.77	21	23.60	91.30
	4-year public	35	34.65	32	35.96	91.43
	Proprietary	28	27.72	23	25.84	82.14
Second Year Direct Loan Institutions	2-year private	15	2.94	9	2.13	60.00
	2-year public	70	13.73	66	15.64	94.29
	4-year private	104	20.39	92	21.80	88.46
	4-year public	176	34.51	154	36.49	87.50
	Proprietary	145	28.43	101	23.93	69.66
Third Year Direct Loan Institutions	2-year private	5	5.10	3	4.00	60.00
	2-year public	13	13.27	13	17.33	100.00
	4-year private	14	14.29	12	16.00	85.71
	4-year public	20	20.41	17	22.67	85.00
	Proprietary	46	46.94	30	40.00	65.22
Fourth Year Direct Loan Institutions	2-year private	2	8.00	1	5.00	50.00
	2-year public	5	20.00	5	25.00	100.00
	4-year private	3	12.00	2	10.00	66.67
	4-year public	4	16.00	4	20.00	100.00
	Proprietary	11	44.00	8	40.00	72.73

Distribution of Responses/Sample Representation

Cohort	Initial Sample (#)	Initial Sample (%)	Respondent Sample (#)	Respondent Sample (%)	Response Rate (%)
All Institutions	2611	100.00	2256	100.00	86.40
FFEL Institutions	1877	71.89	1650	73.14	87.91
Direct Loan Institutions	734	28.11	606	26.86	82.56
First Year Direct Loan Institutions	101	3.87	89	3.95	88.12
Second Year Direct Loan Institutions	510	19.53	422	18.71	82.75
Third Year Direct Loan Institutions	98	3.75	75	3.32	76.53
Fourth Year Direct Loan Institutions	25	0.96	20	0.89	80.00

Cohort	Institution Size	Initial Sample (#)	Initial Sample (%)	Respondent Sample (#)	Respondent Sample (%)	Response Rate (%)
All Institutions	Small	1451	55.57	1249	55.36	86.08
	Large	1160	44.43	1007	44.64	86.81
FFEL Institutions	Small	1097	58.44	962	58.30	87.69
	Large	780	41.56	688	41.70	88.21
Direct Loan Institutions	Small	354	48.23	287	47.36	81.07
	Large	380	51.77	319	52.64	83.95
First Year Direct Loan Institutions	Small	49	48.51	42	47.19	85.71
	Large	52	51.49	47	52.81	90.38
Second Year Direct Loan Institutions	Small	235	46.08	194	45.97	82.55
	Large	275	53.92	228	54.03	82.91
Third Year Direct Loan Institutions	Small	60	61.22	43	57.33	71.67
	Large	38	38.78	32	42.67	84.21
Fourth Year Direct Loan Institutions	Small	10	40.00	8	40.00	80.00
	Large	15	60.00	12	60.00	80.00

Appendix C

Weighted Item Response Frequencies
Questionnaire

Guide to Interpreting Survey Responses

Appendix C, which contains the weighted survey questionnaire with the item responses, and Appendix D, which contains the unweighted survey questionnaire with the item responses are presented in the following two sections. The percentage of respondents who answered each possible response category is listed beside each survey question. For example, if the response choices were "Easy" and "Difficult", the percentage of respondents who answered "Easy" to this item and the percentage of respondents who answered "Difficult" to this item would be displayed after each response respectively.

The weighted data represents an estimate of how the entire population would have responded had they all been asked. The tables presented in Appendix A and referenced in Volume One are weighted so that generalizations to the entire population of institutions are possible. The unweighted data are the exact distribution of the responses from those surveyed.

The first set of unweighted and weighted percentage scores refers to the total responses (T%). The total responses include all of the respondents who answered each possible response category including respondents who answered "Don't Know" or "Refused" (by "Don't Know" we mean the respondent who failed to choose a given response choice and stated that they didn't know the answer, and by "Refused" we mean the respondent refused to answer the question at all). The figures provide a gross response rate for each question.

The second set of unweighted and weighted percentage scores is based on valid responses only (V%). These valid percentages are comprised of the respondents who chose one of the possible response choices excluding "Don't Know" or "Refused". The figures provide a valid response rate that incorporates only those respondents who chose to answer from the given response choices.

SECTION I—IDENTIFYING INFORMATION

CONFIDENTIALITY

Identities of institutions and names of individuals will be kept strictly confidential by Macro International Inc. Identifying information will be used for followup purposes only. All information obtained from this survey will be presented to the Department of Education in aggregated form.

In the spaces provided below, please enter the name, title, e-mail address, and telephone number of the person completing this form, and the date on which the questionnaire was completed.

Name:
Title:
Date:
E-mail Address:
Telephone Number:

If your address is different from the label on the front cover, please correct it in the space below.

SECTION I—SCHOOL IDENTIFICATION

ALL INSTITUTIONS MUST COMPLETE SECTION I, PAGES 3 AND 4

A1) Which of the following best characterizes the current structure of the Financial Aid Office(s) at your institution as it relates to processing loans? *(Check only one response.)*

T%	V%	
70.7	70.7	A single Financial Aid Office serves a single campus, branch, or school.
8.3	8.3	A separate Financial Aid Office serves each campus, branch, or school within the institution.
21.0	21.0	A single Financial Aid Office serves multiple campuses, branches, or schools within the institutions.

A2) Please indicate the type of computer system currently used by your institution to administer student financial aid. *(Check only one response.)*

T%	V%	
6.0	6.0	Mainframe system only
36.4	36.5	Mainframe-to-personal-computer (PC) with interface
14.8	14.8	Independent mainframe and personal computers (PC)
39.6	39.6	Personal computers (PC) only
3.0	3.0	No computer system used; all manual processing.

A3) Please estimate, by checking the appropriate category, how many Direct Stafford loans (subsidized and unsubsidized), Direct PLUS loans, Federal Family Education Loan (FFEL) Stafford loans (subsidized and unsubsidized), and FFEL PLUS loans your institution will originate during the **1997–1998** academic year (July 1997–June 1998).

Loan Program	Estimated # of Staffords									
	None		1-250		250-999		1,000-5,000		5,000+	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
FFEL	17.4	17.4	34.4	34.4	26.3	26.3	18.2	18.2	3.7	3.7
Direct Loan	75.2	75.3	8.6	8.6	6.0	6.0	6.6	6.6	3.5	3.5

Loan Program	Estimated # of Plus									
	None		1-250		250-999		1,000-5,000		5,000+	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
FFEL	34.0	34.0	55.1	55.1	8.7	8.7	1.7	1.7	0.5	0.5
Direct Loan	80.2	80.2	14.6	14.6	3.5	3.6	1.6	1.6	0.3	0.3

SECTION I—SCHOOL IDENTIFICATION *(Continued)*

A4) (ID1) *Based on your answers in A3, which of the following describes your institution in terms of its loan origination in the Direct Loan and FFEL programs during the 1997–1998 academic year?* ***(Please review all of the statements below, check one response only, and complete the sections of the questionnaire indicated by the arrow.)***

T%	V%		
66.4	66.4	1) In 1997–1998, institution originates FFEL loans only. Institution has never originated Direct Loans and has never been selected for participation in the Direct Loan Program.	Please Complete **Section II** **Section V**
8.7	8.7	2) In 1997–1998, institution originates FFEL loans only. Institution originated Direct Loans in a previous academic year, or institution has been selected for participation in the Direct Loan program but has yet to originate a Direct Loan.	Please Complete **Section II** **Section III** **Section V**
16.9	16.9	3) In 1997–1998, institution originates Direct Loans only.	Please Complete **Section IV** **Section V**
7.9	7.9	4) In 1997–1998, institution originates both Direct Loans and FFEL loans.	Please Complete **Section III** **Section IV** **Section V**
0.0	0.0	5) In 1997–1998, institution will not originate any Direct Loans or FFEL loans.	Please Complete **Section V**
0.0	0.0	(6) Institution is currently closed.	Please Complete **Section V**

B1) *How many lenders do you deal with on a regular basis in the FFEL Program? (Check only one response.)*

T%	V%	
20.4	20.4	1-2 lenders
31.9	31.9	3-5 lenders
28.1	28.1	6-10 lenders
10.5	10.5	11-20 lenders
9.0	9.0	More than 20 lenders

B2) How many guaranty agencies do you deal with on a regular basis in the FFEL Program? *(Check only one response.)*

T%	V%	
41.8	41.8	1 guarantee agency
43.9	43.9	2-3 guarantee agencies
8.6	8.6	4-5 guarantee agencies
5.6	5.6	More than 5 guarantee agencies

B3) *Does your institution use electronic funds transfer (EFT) to administer the FFEL Program?*

(If you answered No, skip to Question C1, page 6.)

T%	V%	
45.2	45.2	*Yes*
54.8	54.8	*No*

If you answered "Yes," use EFT in B3:

B4) What percentage of your FFEL Program loans are processed through EFT? 84.7 %

C1) *How would you rate your current level of satisfaction with each of the following activities involved in administering the Federal Family Education Loan Program? (Circle only one rating for each activity. Circle NA for activities that you have not yet had experience with in the Federal Family Education Loan Program.)*

Activity	Very Satisfied		Somewhat Satisfied		Somewhat Dissatisfied		Very Dissatisfied		NA	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Keeping up with regulations	37.7	37.8	52.5	52.6	7.2	7.2	1.9	1.9	0.5	0.5
Answering general questions about loans and financial aid	58.4	58.6	38.6	38.7	1.6	1.6	0.9	0.9	0.3	0.3
Counseling in-school borrowers	49.8	49.9	42.9	43.0	4.5	4.5	0.7	0.7	1.9	1.9
Processing loan applications	55.4	55.5	38.8	38.8	4.6	4.6	0.7	0.7	0.4	0.4
Requesting and receiving loan funds	55.6	55.7	38.2	38.3	4.0	4.0	0.6	0.6	1.3	1.3
Disbursing loan funds (including preparing loan checks and getting students' signatures)	42.8	42.8	44.6	44.6	7.8	7.9	1.0	1.0	3.7	3.7
Refunding excess loan funds to students	36.8	36.9	44.5	44.6	8.4	8.4	1.6	1.6	8.5	8.5
Performing reconciliation/financial monitoring and reporting	29.2	29.4	51.3	51.6	8.8	8.8	1.4	1.4	8.8	8.9
Transmitting data	36.5	36.6	39.8	39.9	5.3	5.3	1.5	1.5	16.6	16.6
Recordkeeping and reporting of student information (includes SSCRs, financial aid transcripts, and updates to NSLDS)	27.5	27.6	46.0	46.1	18.6	18.6	4.5	4.5	3.2	3.2
Assisting out-of-school borrowers	24.1	24.2	49.9	50.0	12.2	12.3	1.4	1.4	12.1	12.1

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C2) How would you characterize the level of work or staff effort needed to **administer** this program on a day-to-day basis? *(Check only one response. If you are using EFT and manual processing, please take both into account when answering.)*

T%	V%	
8.3	8.3	Very easy to administer
37.7	37.8	Relatively easy to administer, with a few areas that require a high level of effort
30.3	30.3	A moderate amount of effort is required overall
19.8	19.8	Relatively labor intensive to administer, with many areas that require a high level of effort
3.8	3.8	Very labor intensive to administer

C3) Listed below are resources needed for the delivery of financial aid that may have changed at your institution. Please indicate if **increases or decreases** have occurred or will occur during the 1997-1998 academic year by circling one number for each type of resource. This question refers **only** to changes that are a direct result of changes in the FFEL Program and that occurred or are budgeted to occur in the 1997-1998 academic year. *(Circle one rating for each resource.)*

Resource	Significant Decrease		Small Decrease		No Change		Small Increase		Significant Increase	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Number of permanent or temporary staff positions related to financial-aid office	1.1	1.1	3.9	3.9	80.9	80.9	12.5	12.5	1.5	1.5
Number of permanent or temporary staff positions in the accounting or business office	0.7	0.7	2.9	2.9	85.6	85.7	9.8	9.8	0.9	0.9
Number of staff used for technical support	0.7	0.7	3.1	3.1	83.4	83.7	11.1	11.2	1.4	1.4
Number of hours developing/modifying computer programs or systems	0.7	0.7	2.8	2.8	53.4	53.6	29.9	29.9	13.0	13.0
Number of hours current staff work	0.5	0.5	2.7	2.7	63.0	63.1	26.6	26.7	7.0	7.0
Equipment/computers	0.4	0.4	1.2	1.2	50.0	50.2	36.2	36.4	11.7	11.8
Supplies (postage, copying, etc.)	0.7	0.7	5.0	5.1	62.7	62.9	25.9	25.9	5.4	5.4
Funds for training	1.0	1.0	3.5	3.5	74.6	74.8	17.2	17.2	3.4	3.4
Funds for staff travel	1.7	1.7	3.7	3.8	73.3	73.6	17.8	17.9	3.0	3.0
Development/modification of computer programs/procedures	0.8	0.8	1.9	1.9	46.1	46.2	39.0	39.1	12.0	12.0

C4) Did the number of short-term loans (i.e., bridge loans) issued by your institution increase, decrease, or remain about the same during the 1997-1998 academic year?

T%	V%	
8.2	8.2	Increased
4.9	4.9	Decreased
32.6	32.7	Remained about the same
54.0	54.1	Not applicable (institution does not issue short-term loans)

C5) Which of the following describes the current software configuration(s) used by your institution to process FFEL loans? *(Check all that apply.)*

T%	V%	
39.1	45.2	Guaranty-agency software
3.9	4.5	Lender software
13.7	15.8	Software developed in house
15.4	17.9	Third-party servicer's software
14.2	16.5	Commercial software

C6) How satisfied are you with the software configuration used by your institution to process FFEL loans as it relates to each of the following? If your institution uses software from multiple sources please consider them collectively when answering. ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied,** please circle your level of satisfaction.)*

	Very Satisfied 1		**2**		**3**		**4**		**Very Dissatisfied 5**	
Performance Area	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**
Overall usefulness of software (i.e., the extent to which it can adequately perform the functions required)	28.1	34.3	30.4	37.2	17.3	21.2	4.8	5.8	1.3	1.5
Ease of integration and compatibility with your previously existing system	24.2	30.1	27.9	34.6	19.9	24.7	6.4	8.0	2.2	2.7
Processing efficiency (e.g., the ability to batch-process or process multiple types of loans)	27.6	33.8	28.5	35.0	18.2	22.4	5.2	6.4	1.9	2.4

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SECTION II—FFEL INSTITUTIONS
INFORMATION AND SUPPORT FROM THE DEPARTMENT OF EDUCATION, LENDERS, AND GUARANTY AGENCIES

D1) Following is a list of FFEL Program information or support that you may have received from the Department of Education, your primary lender, or your primary guarantor during the 1997–1998 academic year. For each item and each source of information or support:

a) **Using a scale of 1 to 5, with 1 being very timely and 5 being not at all timely,** rate *(by circling the appropriate number)* the timeliness of the information/support for your needs and activities. **(Circle NA if you have not received the information/support from the specified source.)**

	Timeliness											
	1		2		3		4		5		NA	
Materials/Training Provided by ED	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Information on FFEL Program rules and regulations	26.7	26.7	35.4	35.5	26.8	26.8	7.0	7.0	1.8	1.8	2.2	2.2
Telephone support for policy or administrative guidance	19.9	19.9	25.9	25.9	22.6	22.6	9.1	9.1	5.2	5.2	17.3	17.3
Borrower counseling materials	22.9	22.9	24.2	24.2	19.7	19.7	6.9	6.9	2.9	2.9	23.4	23.4
Training sessions	20.7	20.8	28.9	29.0	25.0	25.1	7.1	7.1	2.6	2.6	15.4	15.4
Software for administration or reporting functions	13.4	13.5	20.4	20.5	19.8	19.8	6.1	6.1	2.8	2.8	37.4	37.4
Materials/Training Provided by Primary Lender (or Servicer)												
Information on FFEL Program rules and regulations	29.2	29.2	32.3	32.3	16.9	16.9	3.3	3.3	1.2	1.2	17.0	17.0
Telephone support for policy or administrative guidance	37.3	37.3	28.2	28.2	13.2	13.2	4.2	4.2	1.5	1.5	15.7	15.7
Borrower counseling materials	41.0	41.0	28.8	28.8	11.9	11.9	3.4	3.4	1.1	1.1	13.9	13.9
Training sessions	21.0	21.0	20.9	21.0	14.8	14.8	3.8	3.8	1.5	1.5	37.7	37.8
Software for administration or reporting functions	15.9	15.9	15.5	15.6	11.2	11.2	2.5	2.5	1.4	1.4	53.3	53.4
Materials/Training Provided by Primary Guarantor												
Information on FFEL Program rules and regulations	44.8	44.8	33.4	33.4	13.8	13.8	3.6	3.6	1.3	1.3	3.1	3.1
Telephone support for policy or administrative guidance	49.5	49.5	26.6	26.6	13.0	13.0	4.1	4.1	2.3	2.3	4.4	4.4
Borrower counseling materials	43.0	43.0	27.8	27.9	14.4	14.4	3.8	3.8	1.9	1.9	9.0	9.0
Training sessions	36.4	36.4	29.4	29.4	15.9	15.9	4.6	4.6	1.9	1.9	11.7	11.7
Software for administration or reporting functions	27.4	27.4	22.7	22.7	11.7	11.8	2.1	2.1	2.2	2.2	33.8	33.9

D1b) **Using a scale of 1 to 5, with 1 being very useful and 5 being not at all useful,** rate *(by circling the appropriate number)* the usefulness of the information/support. By "usefulness" we mean effectiveness in providing the instructions or services needed by your institution. **(Circle NA if you have not received the information/support from the specified source.)**

	Usefulness											
	1		**2**		**3**		**4**		**5**		**NA**	
Materials/Training Provided by ED	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**
Information on FFEL Program rules and regulations	35.2	35.3	35.2	35.3	20.8	20.9	4.7	4.7	1.3	1.3	2.6	2.6
Telephone support for policy or administrative guidance	26.8	26.9	24.8	24.9	19.1	19.2	6.8	6.8	4.0	4.0	18.3	18.3
Borrower counseling materials	25.9	26.0	23.8	23.9	17.0	17.1	5.1	5.2	3.1	3.1	24.6	24.7
Training sessions	27.1	27.2	27.4	27.6	21.0	21.1	5.9	5.9	2.1	2.1	16.0	16.1
Software for administration or reporting functions	16.4	16.5	20.9	21.0	15.6	15.6	5.6	5.7	3.1	3.1	37.9	38.1
Materials/Training Provided by Primary Lender (or Servicer)												
Information on FFEL Program rules and regulations	34.8	34.9	28.6	28.7	15.1	15.1	3.1	3.1	1.5	1.5	16.7	16.8
Telephone support for policy or administrative guidance	40.5	40.6	26.0	26.0	12.5	12.5	4.0	4.0	1.4	1.4	15.4	15.5
Borrower counseling materials	45.0	45.1	25.3	25.4	11.0	11.0	2.9	2.9	1.8	1.8	13.7	13.8
Training sessions	23.7	23.8	20.3	20.3	12.5	12.5	3.4	3.4	1.7	1.7	38.2	38.3
Software for administration or reporting functions	16.7	16.8	15.5	15.5	9.7	9.8	2.1	2.1	1.6	1.6	53.9	54.2
Materials/Training Provided by Primary Guarantor												
Information on FFEL Program rules and regulations	50.1	50.1	29.6	29.6	11.9	12.0	3.0	3.0	1.9	1.9	3.3	3.3
Telephone support for policy or administrative guidance	52.2	52.3	25.2	25.3	12.0	12.0	3.7	3.7	2.2	2.2	4.6	4.6
Borrower counseling materials	45.0	45.3	26.8	27.0	12.5	12.6	3.8	3.8	2.0	2.0	9.2	9.2
Training sessions	38.9	39.0	28.4	28.5	14.0	14.0	4.3	4.3	1.8	1.8	12.4	12.5
Software for administration or reporting functions	29.2	29.2	21.0	21.0	10.9	10.9	2.4	2.4	2.0	2.0	34.4	34.4

SECTION II—FFEL INSTITUTIONS
INFORMATION AND SUPPORT FROM THE DEPARTMENT OF EDUCATION, LENDERS, AND GUARANTY AGENCIES *(CONTINUED)*

D2) What percentage of your loan volume is handled by your **primary** lender?

61.6 %

D3) What percentage of your loan volume is handled by your **primary** guaranty agency?

87.0 %

D4) For each of the following **loan repayment** activities, please indicate the frequency of each type of communication or interaction between your institution and your FFEL servicer(s). If the interaction did not occur, please circle 4, *Never*. *(Circle the appropriate rating.)*

	Frequently		Sometimes		Seldom		Never	
	1		2		3		4	
Loan Repayment Activities	T%	V%	T%	V%	T%	V%	T%	V%
Refer borrowers to service(s) for information and/or materials	27.9	28.0	47.4	47.5	17.2	17.2	7.2	7.2
Contact servicer(s) directly to obtain forms/information	29.9	29.9	47.9	48.0	16.2	16.2	5.9	5.9
Intervene with servicer(s) at the request of borrowers	18.1	18.1	46.5	46.6	27.0	27.0	8.3	8.3
Other interaction with servicer(s) (Specify):	3.9	41.7	4.2	44.7	1.0	10.8	0.3	2.8

D5) For each of the following **consolidation** activities, please indicate the frequency of each type of communication or interaction between your institution and your FFEL servicer(s). If the interaction did not occur, please circle 4, *Never*. *(Circle the appropriate rating.)*

	Frequently		Sometimes		Seldom		Never	
	1		2		3		4	
Consolidation Activities	T%	V%	T%	V%	T%	V%	T%	V%
Refer borrowers to servicer(s) for information and/or materials	19.7	19.7	37.4	37.4	25.4	25.4	17.5	17.5
Contact servicer(s) directly to obtain forms/information	8.7	8.7	29.4	29.4	35.4	35.4	26.5	26.5
Intervene with servicer(s) at the request of borrowers	6.4	6.4	26.9	27.0	34.8	34.8	31.8	31.8
Other interaction with servicer(s) (Specify):	1.1	41.7	0.9	33.5	0.3	10.0	0.4	14.8

D6) **Overall,** how satisfied are you with the communications that you have had with your FFEL servicer concerning loan repayment and consolidation? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or* NA *for not applicable, please circle your level of satisfaction.)***

	Very Satisfied 1		2		3		4		Very Dissatisfied 5		NA	
Type of Communication	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T %	V%
Loan repayment	27.3	27.3	40.3	40.3	19.8	19.8	3.0	3.0	1.3	1.3	8.2	8.3
In-school FFEL consolidation	12.2	12.2	22.4	22.4	18.8	18.9	3.1	3.1	1.8	1.8	41.6	41.7
Out-of-school FFEL consolidation	13.7	13.7	26.0	26.0	20.4	20.4	4.4	4.4	2.2	2.3	33.2	33.2

D7) How satisfied are you with the communications and support you have received from your FFEL servicer(s) during the 1997-1998 academic year. ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied,** please circle your level of satisfaction.)*

	1		2		3		4		5		
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	
Very Satisfied	31.1	31.3	44.0	44.3	20.1	20.2	3.1	3.1	1.1	1.1	Very Dissatisfied

D8) In your opinion, is the overall level of communication and support currently being provided by your FFEL servicer(s) better than, worse than, or about the same as that provided during the 1996-1997 academic year?

T%	V%	
29.8	30.1	Better than 1996-1997
3.0	3.0	Worse than 1996-1997
66.4	66.9	About the same

SECTION II—FFEL INSTITUTIONS
OVERALL IMPRESSIONS OF THE FFEL PROGRAM

E1) Please review the statements about the FFEL Program listed below. Then in the appropriate column, check whether you **agree** or **disagree** that the statement is a characteristic of the FFEL Program.

FFEL Program Characteristics	Agree		Disagree	
	T%	V%	T%	V%
Borrowers are served well through the FFEL Program	95.3	95.8	4.2	4.2
The FFEL Program is simple to administer	76.5	76.7	23.2	23.3
The FFEL Program is secure	86.5	88.0	11.7	12.0
The availability of loan funds is predictable in the FFEL Program	91.7	92.3	7.7	7.7
The FFEL Program is cost-effective to administer	86.5	87.4	12.5	12.6
The FFEL program utilizes advanced technology	88.1	89.6	10.2	10.4
The flexibility of loan repayment options is beneficial to borrowers	92.5	93.2	6.8	6.8

E2) Please rate your general satisfaction with the Federal Family Education Loan Program during the 1997-1998 academic year. ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied,** please circle your level of satisfaction.)*

	1		2		3		4		5		
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	
Very Satisfied	38.3	38.4	44.6	44.7	14.0	14.0	1.7	1.7	1.2	1.2	Very Dissatisfied

E3) Compared to the 1996-1997 academic year, has your overall level of satisfaction this year with the Federal Family Education Loan Program increased, decreased, or remained the same?

T%	V%	
24.2	24.3	Increased
2.7	2.7	Decreased
72.6	73.0	Remained the same

E4) What specific recommendations would you give to the Department of Education or loan servicers on how to improve the administration of the FFEL Program? *(List up to two recommendations.)* (OE1)

%	
30.7	Other
4.8	Parity between FFELP and Direct Lending
4.6	Better/more conveniently located ED training
3.7	Simplify loan application/combine with FAFSA
3.6	Improved software, Web/EDExpress
3.5	Repeal 3-day EFT disbursement
3.0	ED improve data, accuracy/dissemination
3.0	Loan limits increased
2.8	Servicers/Lenders improve communications on student status
2.7	Do not hold institutions responsible for student defaults
2.6	Loan limits decreased
2.6	Repeal 30-day disbursement
2.5	Interest rates set to encourage lenders
2.4	ED improve regulation updates/info
2.4	None;pleased
2.2	ED more active in counseling
2.2	Institute master prom note
2.2	Servicers/Lenders improve customer service to students
2.1	ED improve borrower communication
2.0	ED/Telephone hotline
1.9	Regulate secondary market for student loans
1.5	Reinstitution of credit checks
1.2	Regulate borrower solicitation by lenders
1.2	Mandate EFT use/participation
1.2	Relax multiple deferment rule
1.2	End multiple disbursements
1.1	School control over lender approval
1.1	EFT easier/more flexible
1.0	Increase competition between FFEL and DL
1.0	Adopt "commonline" software standard
1.0	Regulatory/fee reduction for schools w/ low defaults
0.8	Reduce fees for EDE system/on-line system
0.5	Reduce/drop Guarantee and/or Origination fees

E5) Does your institution originate FFEL PLUS loans?

(If you answer No, skip to Question E8, page 14.)

T%	V%	
78.1	78.4	Yes
21.6	21.6	No

If you answered "Yes," originates FFEL PLUS loans in E5:

E6) How would you characterize the level of work or staff effort needed to **administer** the FFEL PLUS Program? *(Check only one response.)*

T%	V%	
26.1	26.2	Very easy to administer
37.8	38.0	Relatively easy to administer, with a few areas that require a high level of effort
26.4	26.5	A moderate amount of effort is required overall
8.2	8.2	Relatively labor intensive to administer, with many areas that require a high level of effort
1.2	1.2	Very labor intensive to administer

E7) Please indicate your satisfaction with each of the following activities or communications associated with the administration of **FFEL PLUS** loans. ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or*** NA ***for not applicable,*** *please circle your level of satisfaction.)*

FFEL PLUS Activities and Processes	Very Satisfied 1		2		3		4		Very Dissatisfied 5	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Overall satisfaction	30.5	30.6	50.8	50.9	16.2	16.2	1.9	1.9	0.4	0.4
Communications with borrowers	25.6	25.6	47.8	48.0	23.0	23.0	2.4	2.4	1.0	1.0
Application processes	31.1	31.2	46.5	46.6	18.1	18.2	3.6	3.6	0.4	0.4
Credit checks and reporting of credit information	25.0	25.2	42.9	43.3	24.5	24.7	5.3	5.3	1.4	1.4
Fund disbursement and refunding excess loan funds	25.8	25.9	47.3	47.5	20.9	21.0	4.1	4.1	1.4	1.4

E8) Please review all of the following statements and indicate which describes your status or plans for participation in the Direct Loan Program. *(Check only one response.)*

T%	V%	
9.5	9.5	Currently participating in the Direct Loan Program
2.4	2.4	Institution originated Direct Loans in a previous academic year but no longer participates
6.5	6.5	Institution has been selected for participation in the Direct Loan Program but has yet to originate a Direct Loan
7.8	7.8	Was accepted into Direct Loan Program but chose not to participate
0.5	0.5	Applied for Year 5 of the Direct Loan Program; application accepted or pending
1.3	1.3	Will be applying for Year 6 of the Direct Loan Program
0.7	0.7	Application for Direct Loan Program rejected
71.3	71.3	Not planning to apply for Direct Loan Program

SECTION III
INSTITUTION FORMERLY PARTICIPATED IN DIRECT LENDING OR HAS YET TO ORIGINATE DIRECT LOANS

If you answered "yet to originate a Direct Loan" in E8:

F1) When was your institution selected for participation in the Direct Loan Program? (*Check only one response.*)

T%	V%	
12.5	13.3	Academic year 1994-1995
29.9	31.9	Academic year 1995-1996
25.5	27.1	Academic year 1996-1997
26.0	27.7	Academic year 1997-1998

F2) In what academic year do you plan to originate your first Direct Loan? (*Check only one response.*)

T%	V%	
15.2	16.2	Academic year 1998-1999
0.0	0.0	Academic year 1999-2000
78.6	83.8	Don't know/Not sure

If you answered "no longer participates" in Direct Loan Program in E8:

F3) When did your institution begin participating in the Direct Loan Program? (*Check only one response.*)

T%	V%	
25.6	25.6	Academic year 1994-1995
70.5	70.5	Academic year 1995-1996
3.9	3.9	Academic year 1996-1997

F4) When did your institution stop participating in the Direct Loan Program? (*Check only one response*.)

T%	V%	
6.3	6.3	Academic year 1994-1995
14.9	14.9	Academic year 1995-1996
78.8	78.8	Academic year 1996-1997

F5) Please indicate (in the space below) why your institution is no longer participating in the Direct Loan Program. (OE2)

%	
42.6	Too labor intensive/time consuming
40.9	Other
12.9	Problems with LOC
3.6	FFELP better/improved

SECTION IV—DIRECT LOAN INSTITUTIONS
BACKGROUND INFORMATION

G1) In what academic year did your institution begin originating loans in the Direct Loan program? (*Check only one response.*)

T%	V%	
12.2	12.2	1994-1995 (Year 1)
70.3	70.3	1995-1996 (Year 2)
13.9	13.9	1996-1997 (Year 3)
3.6	3.6	1997-1998 (Year 4)

G2) After your institution was selected for participation, did you delay origination of Direct Loans in order to plan implementation? (*Check only one response.*)

T%	V%	
10.1	10.2	Yes, delayed 1 year
1.4	1.4	Yes, delayed 2 years
0.3	0.3	Yes, delayed more than 2 years
87.8	88.1	No, implemented directly after selected for participation

G3) Please indicate whether you are currently participating in the Direct Loan Program as an option 1, option 2, or option 3 institution (as defined by the Department of Education).

T%	V%	
24.5	24.8	Option 1 (formerly Level two institution)
66.5	67.2	Option 2 (formerly Level one institution)
7.9	8.0	Option 3 (formerly Level three institution)

Questions H1 and H2 are for institutions that began implementing the Direct Loan Program in the 1997–1998 academic year. If you began originating Direct Loans in a previous academic year, please skip to Question I1.

H1) The following items describe various activities and processes necessary for the implementation and startup of the Direct Loan Program. This question refers to the **startup activities only;** it does not cover ongoing administration. This may be a question for which you want to consult other staff (such as the business office or the bursar's office) involved in setting up the processes. Please rate the ease of setting up these processes at your institution on the following scale. *(Circle one rating for each activity.)*

	Ease of Implementation							
	Easy to set up process		Moderate level of effort required		Difficult to set up process		Not applicable	
Activities and Processes	T%	V%	T%	V%	T%	V%	T%	V%
Identification of Direct Lending functions and assignment of responsibilities	11.3	11.3	60.2	60.2	25.5	25.5	3.0	3.0
Installation of EDExpress onto your institution's own computer system	32.2	32.2	16.7	16.7	5.8	5.8	45.4	45.4
Development and conduct of internal staff training on the Direct Loan Program	13.4	13.4	46.9	46.9	22.7	22.7	17.0	17.0
Development of procedures/materials to counsel borrowers on Direct Lending	26.6	26.6	49.5	49.5	2.7	2.7	21.2	21.2
Development of institutional procedures for processing loan applications and ensuring loan origination	8.4	8.4	69.1	69.1	22.4	22.4	0.0	0.0
Development of promissory note review and transmittal procedures	21.8	21.8	44.5	44.5	33.7	33.7	0.0	0.0
Development of loan disbursement procedures (e.g., crediting student accounts)	20.3	20.3	60.0	60.0	19.7	19.7	0.0	0.0
Development of internal recordkeeping and procedures for reporting to Direct Loan System (includes tracking information on borrowers and their loans both during and after enrollment period, and communication about borrowers to ED and its contractors)	8.4	8.4	56.1	56.1	29.3	29.3	6.1	6.1
Development of institutional cash management procedures (includes estimating capital needs, tracking receipt of funds, and reporting cancellations or refunds)	16.3	16.3	41.2	41.2	22.4	22.4	20.1	20.1
Development of reconciliation procedures at your institution	10.3	10.3	44.6	44.6	28.1	28.1	17.0	17.0

H2) How satisfied are you with the Department of Education's responsiveness to reported problems or difficulties during your implementation of the Direct Loan Program? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or* NA *for not applicable,*** *please circle your level of satisfaction.)*

	1		2		3		4		5		
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	
Very Satisfied	20.8	20.8	21.1	21.1	34.6	34.6	20.3	20.3	3.1	3.1	Very Dissatisfied

SECTION IV—DIRECT LOAN INSTITUTIONS
ADMINISTRATION OF THE DIRECT LOAN PROGRAM

I1) How would you rate your overall level of satisfaction with each of the following activities involved in administering the Direct Loan Program? *(Circle only one rating for each activity. Circle* NA *for activities that you have not yet had experience with in the Direct Loan Program.)*

Activity	Very Satisfied		Somewhat Satisfied		Somewhat Dissatisfied		Very Dissatified		NA	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Keeping up with regulations	42.7	43.0	50.1	50.4	6.0	6.1	0.3	0.3	0.2	0.2
Answering general questions about loans and financial aid	53.2	53.5	40.5	40.8	4.2	4.2	0.2	0.2	1.3	1.3
Counseling in-school borrowers	54.1	54.4	35.7	35.9	5.0	5.1	0.5	0.5	4.1	4.1
Processing loan applications	60.9	61.2	29.0	29.1	5.1	5.1	2.6	2.7	1.9	1.9
Processing promissory notes	55.2	55.5	31.8	32.0	6.6	6.6	4.4	4.4	1.5	1.6
Creating and transmitting origination records	57.6	58.0	30.0	30.1	7.8	7.9	2.0	2.0	2.0	2.0
Requesting and receiving loan funds	59.4	59.8	27.3	27.5	4.1	4.2	2.8	2.8	5.7	5.8
Disbursing of loan funds (including preparing loan checks and getting student to sign)	51.3	51.6	32.3	32.5	3.9	3.9	1.4	1.4	10.4	10.5
Refunding excess loan funds to borrowers	39.1	39.4	40.4	40.7	7.8	7.9	2.5	2.5	9.5	9.5
Performing reconciliation/financial monitoring and reporting	12.4	12.5	38.0	38.4	29.5	29.7	13.2	13.3	6.1	6.1
Transmitting data	48.3	48.6	38.0	38.1	8.6	8.7	1.1	1.1	3.5	3.5
Recordkeeping and reporting of student information (includes SSCRs, and updates to the Direct Loan Servicing Center or NSLDS)	23.9	24.1	42.5	42.7	20.6	20.7	5.8	5.8	6.6	6.7
Assisting out-of-school borrowers	20.9	21.0	52.0	52.2	10.7	10.8	2.4	2.4	13.6	13.6

I2) How would you characterize the level of work or staff effort needed to **administer** Direct Lending on a day-to-day basis? *(Check only one response.)*

T%	V%	
9.1	9.2	Very easy to administer
37.4	37.6	Relatively easy to administer, with a few areas that require a high level of effort
29.4	29.6	A moderate amount of effort is required overall
16.4	16.5	Relatively labor intensive to administer, with many areas that require a high level of effort
7.1	7.2	Very labor intensive to administer

I3) Listed below are resources needed for the delivery of financial aid that may have changed at your institution since it began administering the Direct Loan Program. Please indicate for each type of resource if **increases or decreases** have occurred or will occur during the 1997-1998 academic year. This question refers only to changes that are a **direct result** of participating in the Direct Loan Program. *(Circle one rating for each resource.)*

Resources	Level of Change									
	Significant Decrease		Small Decrease		No Change		Small Increase		Significant Increase	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Number of permanent or temporary staff positions in the financial-aid office	2.0	2.0	4.4	4.4	72.5	72.9	18.6	18.7	2.0	2.0
Number of permanent or temporary staff positions in accounting office or the business office	1.1	1.1	2.8	2.8	82.9	83.6	12.2	12.3	0.2	0.2
Number of staff used for technical support	0.7	0.7	1.6	1.7	73.9	74.5	19.8	20.0	3.1	3.1
Number of hours developing/modifying computer programs/procedures	1.0	1.0	1.4	1.5	41.3	42.2	38.1	38.9	16.0	16.4
Number of hours current staff work	1.9	1.9	4.1	4.2	54.3	54.7	27.8	28.0	11.2	11.3
Equipment/computers	0.3	0.3	0.9	0.9	37.0	37.4	38.7	39.1	22.0	22.3
Supplies (postage, copying, etc.)	2.1	2.1	3.9	3.9	51.6	52.0	30.7	31.0	11.0	11.0
Funds for training	1.3	1.3	2.3	2.3	60.3	60.6	28.5	28.6	7.2	7.3
Funds for staff travel	1.3	1.3	2.5	2.5	58.4	58.8	29.1	29.2	8.2	8.2

I4) Did the number of short-term loans (i.e., bridge loans) issued by your institution increase, decrease, or remain about the same during the 1997-1998 academic year?

T%	V%	
8.0	8.1	Increased
9.0	9.1	Decreased
29.9	30.1	Remained about the same
52.4	52.8	Not applicable (institution does not issue short-term loans)

I5) For each of the specific administrative functions listed in the table below, please indicate the level of **change in workload** (if any) resulting from administering the Direct Loan Program. *(Circle one rating for each administrative function.)*

	Change in Workload									
	Significant Decrease		Small Decrease		No Change		Small Increase		Significant Increase	
Administrative Function	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Overall change in workload at your institution due to administering the Direct Loan Program	4.9	4.9	9.4	9.5	31.0	31.3	33.8	34.1	20.0	20.2
Training financial-aid staff	1.4	1.4	3.4	3.4	32.4	32.8	43.6	44.2	17.9	18.1
Counseling borrowers on Direct Lending	1.1	1.1	2.8	2.8	62.8	63.5	24.4	24.7	7.9	8.0
Processing loan applications	9.8	9.9	13.7	13.9	36.1	36.5	27.5	27.8	11.8	12.0
Processing promissory notes	6.1	6.2	10.2	10.4	30.9	31.5	30.8	31.4	20.2	20.6
Creating and transmitting origination records	4.1	4.2	6.5	6.6	34.7	35.5	36.3	37.0	16.3	16.6
Advising borrowers on the status of loans	9.4	9.6	8.9	9.0	49.8	50.4	22.8	23.1	7.8	7.9
Requesting and receiving loan funds	10.2	10.4	11.0	11.2	43.9	45.0	23.7	24.4	8.7	8.9
Disbursing loan funds to borrowers	13.4	13.6	12.3	12.5	43.9	44.5	18.9	19.2	10.0	10.2
Recordkeeping and reporting (includes tracking information on borrowers and their loans both during and after enrollment period, and communication about borrowers to other organizations)	4.1	4.1	6.9	7.0	35.7	36.1	30.3	30.7	21.8	22.1
Canceling and changing loans	8.6	8.7	10.6	10.8	36.4	36.8	27.6	27.8	15.8	15.9
Cash management	4.1	4.2	4.3	4.4	32.9	33.6	37.7	38.5	18.8	19.2
Reconciliation	1.8	1.8	3.4	3.5	22.2	22.7	34.4	35.1	36.1	36.9

If you answered "Increase" or "Decrease" in "Overall change in workload," in Question I51:

I6) If you indicated an overall change in workload resulting from administering Direct Lending, please specify whether you think the change is **temporary** (i.e., will occur only during the initial phase of the process) or **permanent** (i.e., will continue in the regular operation of the Direct Loan Program.)

T%	V%	
16.5	16.6	Temporary
83.3	83.4	Permanent

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I7) Please check the statement below that applies to your perception of the Financial Aid Office's staffing or workload changes related to your institution's participation in the Direct Loan Program. *(Check all that apply.)*

T%	V%	
2.3	2.3	Staff have been released to other departments or released from the institution
16.9	17.0	Staff have more time to work on other financial-aid functions
47.7	48.0	No change in staffing
20.5	20.6	Staff are working extra hours to accommodate the added activities
12.0	12.1	Extra staff have been hired in the Financial Aid Office to accommodate the added activities

I8) Which of the following describes the current software configuration(s) used by your institution to process Direct Loans? *(Check all that apply.)*

T%	V%	
57.1	57.4	EDExpress software
15.0	15.1	Commercial software
8.8	8.9	Software developed in house
18.4	18.6	Third-party servicer's software

If you checked "EDExpress software" in Question I8:

I9) How satisfied are you with the EDExpress software used by your institution to process Direct Loans as it relates to each of the following? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied,*** *please circle your level of satisfaction.)*

	Very Satisfied 1		2		3		4		Very Dissatisfied 5	
Performance Area	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Overall usefulness of software (i.e., the extent to which it can adequately perform the functions required)	30.7	31.0	40.2	40.5	18	18.6	6.7	6.8	3.1	3.1
Ease of integration and compatibility with your previously existing system	21.9	22.2	34.4	34.9	23.2	23.5	14.3	14.5	4.9	4.9
Processing efficiency (e.g., the ability to batch-process or process multiple types of loans)	28.9	29.2	40.1	40.4	18.3	18.4	9.1	9.1	2.8	2.9

If you checked "commercial software" in Question I8:

I10) How satisfied are you with the commercial software used by your institution to process Direct Loans as it relates to each of the following? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied,** please circle your level of satisfaction.)*

Performance Area	Very Satisfied 1		2		3		4		Very Dissatisfied 5	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Overall usefulness of software (i.e., the extent to which it can adequately perform the functions required)	27.1	27.3	37.7	38.0	22.1	22.2	9.3	9.3	3.1	3.1
Ease of integration and compatibility with your previously existing system	30.5	30.7	35.1	35.4	21.6	21.7	8.5	8.5	3.7	3.7
Processing efficiency (e.g., the ability to batch-process or process multiple types of loans)	34.5	35.0	30.4	30.8	24.3	24.6	7.0	7.1	2.5	2.5

I11) Have you frequently encountered any of the following problems with loan processing during the 1997-1998 academic year? *(Check all that apply.)*

T%	V%	
19.6	22.1	Problems with interactions/communications with the loan origination center
22.6	25.5	Problems with transmission of records to or from the loan origination center
18.7	21.1	System or software problems
17.5	19.7	Promissory-note problems
10.2	11.5	Other

I12) If you encountered any of the above difficulties with loan processing, did the problems have any of the following effects? *(Check all that apply).*

T%	V%	
17.3	19.9	Delayed receipt of loan funds
23.2	26.8	Problems or delays in booking loans
27.5	31.6	Problems or delays in reconciliation
18.9	21.7	Delayed disbursement of funds to borrowers

SECTION IV—DIRECT LOAN INSTITUTIONS
INFORMATION AND SUPPORT FROM THE DEPARTMENT OF EDUCATION, LOAN ORIGINATION CENTER, OR ED SERVICER

J1) Following is a list of Direct Loan Program information or support that you may have received from the Department of Education, its Loan Origination Center (LOC) or its servicer during the 1997-1998 academic year. For each item:

a) **Using a scale of 1 to 5, with 1 being very timely and 5 being not at all timely,** rate *(by circling the appropriate number)* the timeliness of the information/support for your needs and activities.

Material/Training Provided by ED	Timeliness											
	1		2		3		4		5		NA	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Information on Direct Loan Program rules and regulations	40.9	41.2	34.4	34.7	16.9	17.0	4.4	4.5	1.1	1.1	1.6	1.6
Telephone support for policy or administrative guidance	27.2	27.4	32.7	32.9	22.7	22.8	7.1	7.2	2.0	2.0	7.6	7.6
Direct Loan Users Guide	31.8	31.9	32.6	32.8	22.8	22.9	6.0	6.0	2.0	2.0	4.3	4.3
In-person assistance	16.9	17.0	17.4	17.5	12.8	12.8	5.2	5.2	3.0	3.0	44.2	44.4
Borrower counseling materials	42.8	43.1	31.1	31.3	16.8	16.9	3.6	3.6	2.2	2.2	2.8	2.9
Consolidation booklet	23.2	23.4	25.1	25.4	17.5	17.7	5.2	5.2	3.0	3.0	25.0	25.2
Training materials for counselors	30.3	30.5	28.0	28.3	18.9	19.0	4.1	4.1	2.0	2.0	15.9	16.0
Entrance/exit counseling videos	30.6	30.7	28.7	28.9	16.9	16.9	3.0	3.0	2.6	2.6	17.7	17.8
Preprinted promissory notes	43.6	43.9	23.0	23.1	9.3	9.4	3.0	3.0	1.5	1.5	19.0	19.1
Reconciliation guide	21.3	21.6	25.5	25.8	25.6	25.9	8.0	8.1	2.7	2.8	15.7	15.9
Loan origination support	30.0	30.2	26.7	26.9	25.8	26.0	8.4	8.4	2.7	2.8	5.7	5.7
Loan reconciliation support	18.0	18.2	22.7	22.9	24.6	24.8	15.0	15.2	6.9	7.0	11.8	12.0
Training and technical support	26.3	26.5	26.4	26.5	26.0	26.2	7.8	7.9	2.4	2.4	10.4	10.5
Software for administration or reporting functions	21.7	21.8	22.4	22.5	18.6	18.7	5.9	5.9	1.9	1.9	28.9	29.1
Videoconferences	12.7	12.8	15.8	15.9	12.7	12.8	4.6	4.6	0.9	0.9	52.6	53.0

SECTION IV—DIRECT LOAN INSTITUTIONS
INFORMATION AND SUPPORT FROM THE DEPARTMENT OF EDUCATION, LOAN ORIGINATION CENTER, OR ED SERVICER *(CONTINUED)*

J1b) **Using a scale of 1 to 5, with 1 being very useful and 5 being not at all useful,** rate *(by circling the appropriate number)* the usefulness of the information/support in providing the instruction or service needed by your institution.

(Circle* NA *if you have not received the information/support from ED.)

Material/Training Provided by ED	**Usefulness**											
	1		**2**		**3**		**4**		**5**		**NA**	
	T%	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**
Information on Direct Loan Program rules and regulations	43.8	45.0	32.8	33.7	15.0	15.4	3.2	3.3	0.8	0.9	1.7	1.8
Telephone support for policy or administrative guidance	35.0	35.8	29.3	30.0	17.3	17.7	6.5	6.6	2.4	2.5	7.2	7.3
Direct Loan Users Guide	33.0	33.7	29.2	29.7	23.1	23.6	6.6	6.7	1.5	1.5	4.7	4.8
In-person assistance	21.0	21.5	14.7	15.0	11.2	11.4	3.0	3.0	2.8	2.8	45.1	46.2
Borrower counseling materials	50.3	51.3	29.7	30.2	12.3	12.5	2.1	2.1	1.7	1.7	2.1	2.2
Consolidation booklet	24.7	25.2	27.2	27.8	17.3	17.7	2.6	2.7	1.2	1.2	24.8	25.4
Training materials for counselors	30.5	31.2	28.6	29.2	19.1	19.5	2.5	2.6	2.0	2.1	15.0	15.3
Entrance/exit counseling videos	31.5	32.1	24.2	24.7	10.4	10.6	7.2	7.4	6.2	6.4	18.5	18.9
Preprinted promissory notes	50.8	51.8	18.9	19.2	6.8	6.9	2.1	2.1	1.1	1.1	18.5	18.9
Reconciliation guide	24.4	25.0	22.8	23.4	24.4	25.0	6.9	7.1	2.9	3.0	16.1	16.5
Loan origination support	34.7	35.5	24.7	25.3	22.0	22.6	7.0	7.2	3.1	3.2	6.1	6.2
Loan reconciliation support	23.8	24.4	19.0	19.6	24.8	25.5	12.3	12.6	6.2	6.4	11.2	11.5
Training and technical support	28.2	28.7	24.1	24.5	25.2	25.7	7.3	7.5	2.9	2.9	10.4	10.6
Software for administration or reporting functions	21.3	21.7	23.8	24.3	16.3	16.6	6.4	6.6	1.6	1.6	28.6	29.2
Videoconferences	12.0	12.3	12.3	12.6	14.7	15.1	4.0	4.1	1.4	1.4	53.3	54.6

SECTION IV—DIRECT LOAN INSTITUTIONS
INFORMATION AND SUPPORT FROM THE DEPARTMENT OF EDUCATION, LOAN ORIGINATION CENTER, OR ED SERVICER *(CONTINUED)*

J2) For each of the following **loan repayment** activities, please indicate the frequency of each type of communication or interaction between your institution and the Department of Education's servicer. If the interaction did not occur, please circle 4, *Never*. *(Circle the appropriate rating.)*

Loan Repayment Activities	Frequently		Sometimes		Seldom		Never	
	T%	V%	T%	V%	T%	V%	T%	V%
Refer borrowers to the servicer for loan repayment information and/or materials	32.4	32.6	41.6	41.8	17.0	17.0	8.6	8.6
Contact servicer directly to obtain forms/information	20.1	20.2	51.3	51.7	17.7	17.8	10.2	10.3
Intervene with servicer at the request of borrowers	11.4	11.4	42.0	42.2	29.6	29.8	16.5	16.5
Other interaction with servicer (Specify):	3.5	45.0	2.9	36.8	0.9	11.6	0.5	6.6

J3) For each of the following **consolidation** activities, please indicate the frequency of each type of communication or interaction between your institution and the Department of Education's Loan Origination Center. If the interaction did not occur, please circle 4, *Never*. *(Circle the appropriate rating.)*

Consolidation Activities	Frequently		Sometimes		Seldom		Never	
	T%	V%	T%	V%	T%	V%	T%	V%
Refer borrowers to loan origination center for consolidation information and/or materials	31.2	31.4	33.7	33.9	18.9	19.0	15.7	15.8
Contact loan origination center directly to obtain forms/information	10.3	10.4	31.3	31.5	32.8	33.0	24.9	25.1
Intervene with loan origination center at the request of borrowers	6.8	6.9	30.2	30.4	30.7	30.9	31.7	31.8
Other interaction with loan origination center (Specify):	2.0	40.8	1.0	20.3	1.3	26.1	0.6	12.8

SECTION IV—DIRECT LOAN INSTITUTIONS
INFORMATION AND SUPPORT FROM THE DEPARTMENT OF EDUCATION, LOAN ORIGINATION CENTER, OR ED SERVICER *(CONTINUED)*

J4) Overall, how satisfied are you with the communications that you have had with the Department of Education's servicer or Loan Origination Center concerning loan repayment and consolidation? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or NA for not applicable**, please circle your level of satisfaction.)*

Communication	Very Satisfied 1		2		3		4		Very Dissatisfied 5		NA	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T %	V%
Loan repayment	17.8	17.9	32.6	32.7	25.7	25.8	4.0	4.1	1.7	1.7	17.7	17.8
In-school Direct Loan consolidation	10.3	10.4	19.6	19.7	22.6	22.7	5.7	5.7	4.0	4.0	37.3	37.5
Out-of-school Direct Loan consolidation	8.5	8.6	20.0	20.1	25.8	26.0	5.6	5.6	4.4	4.4	34.9	35.2

J5) How satisfied are you with the communications and support you have received from the Department of Education's Loan Origination Center during the 1997-1998 academic year? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, please circle your level of satisfaction.)***

	1		2		3		4		5		
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	
Very Satisfied	24.5	24.7	34.5	34.8	24.8	25.0	11.6	11.7	3.8	3.9	Very Dissatisfied

J6) In your opinion, is the overall level of communication and support currently being provided by the Department of Education's Loan Origination Center better than, worse than, or about the same as that provided during the 1996-1997 academic year?

T%	V%	
32.6	33.8	Better than 1996-1997
22.9	23.8	Worse than 1996-1997
40.9	42.4	About the same

J7) How satisfied are you with the communications and support you have received from the Department of Education's loan servicer during the 1997-1998 academic year? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied,** please circle your level of satisfaction.)*

	1		2		3		4		5		
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	
Very Satisfied	21.5	21.7	40.8	41.2	25.1	25.3	10.0	10.1	1.8	1.8	Very Dissatisfied

J8) In your opinion, is the overall level of communication and support currently being provided by the Department of Education's servicer better than, worse than, or about the same as that provided during the 1996-1997 academic year?

T%	V%	
26.1	26.9	Better than 1996-1997
12.1	12.4	Worse than 1996-1997
58.8	60.7	About the same

J9) Below is a list of possible interactions with the Department of Education's Loan Origination Center. In the appropriate column:

a) Please check the two interactions that you are **most** satisfied with.

b) Please check the two interactions that you are **least** satisfied with.

Types of Interaction	Most Satisfied		Least Satisfied	
	T%	V%	T%	V%
Loan origination	40.5	42.1	3.1	3.3
Estimation and drawdown	16.6	17.3	4.3	4.6
Loan changes and cancellations	13.9	14.5	18.0	19.2
Reconciliation	3.4	3.5	34.9	37.2
Processing deferments	4.0	4.2	6.6	7.0
Loan servicing	10.9	11.3	8.6	9.1
SSCRs	6.9	7.2	18.3	19.5

J10) In the table below, please rate your level of satisfaction with the timeliness and clarity of the Department of Education's regulations/guidelines. ***(Use a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or NA for not applicable.)***

	Clarity											
	1		2		3		4		5		NA	
Type of Guideline	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Loan repayment regulations	18.4	18.6	36.8	37.1	32.8	33.1	6.5	6.6	2.2	2.2	2.5	2.5
Consolidation guidelines	11.5	11.7	29.9	30.3	31.9	32.3	9.6	9.7	3.9	4.0	12.0	12.1

	Timeliness											
	1		2		3		4		5		NA	
Type of Guideline	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Loan repayment regulations	21.9	22.1	39.3	39.5	28.8	29.0	5.9	6.0	0.9	0.9	2.6	2.6
Consolidation guidelines	15.0	15.2	28.4	28.6	30.2	30.4	9.3	9.4	4.3	4.3	12.1	12.2

SECTION IV—DIRECT LOAN INSTITUTIONS
INFORMATION AND SUPPORT FROM THE DEPARTMENT OF EDUCATION'S REGIONAL OFFICE

J11) Which of the following regions is the location for the Department of Education's Regional Office for your institution? *(Check only one response.)*

T%	V%	
6.5	6.6	Region 1, Boston, MA
13.0	13.1	Region 2, New York, NY
10.8	10.9	Region 3, Philadelphia, PA
13.6	13.7	Region 4, Atlanta, GA
14.7	14.8	Region 5, Chicago, IL
5.8	5.8	Region 6, Dallas, TX
10.4	10.5	Region 7, Kansas City, KS
5.0	5.1	Region 8, Denver, CO
15.8	16.0	Region 9, San Francisco, CA
3.3	3.4	Region 10, Seattle , WA
1.1	0.0	Don't know / Not sure

J12) Has your institution had any contact with the Direct Loan Client Account Managers in the Department of Education's Regional Office for your area?

(If you answer No, skip to Question K1)

T%	V%	
72.8	73.5	Yes
26.2	26.5	No

If you answered "Yes," contact with Direct Loan Client Account Manager in J12:

J13) How would you describe the level of interaction between your institution and the Direct Loan Client Account Managers in your Regional Office? *(Check only one response.)*

T%	V%	
18.4	18.4	Extensive interaction
53.1	53.1	Some interaction
28.4	28.5	Very little interaction

J14) Were the contacts with the Direct Loan Client Account Managers in your Regional Office initiated by your institution, your Regional Office, or both? *(Check only one response.)*

T%	V%	
31.9	31.9	Institution
14.1	14.1	Regional Office
54.0	54.0	Both the Institution and the Regional Office

SECTION IV—DIRECT LOAN INSTITUTIONS INFORMATION AND SUPPORT FROM THE DEPARTMENT OF EDUCATION'S REGIONAL OFFICE *(Continued)*

J15) The following is a list of possible reasons for contact with your Regional Office. For each item:

a) **Using a scale of 1 to 5, with 1 being very timely and 5 being not at all timely,** rate *(by circling the appropriate number)* the timeliness of the training/support you received in meeting your needs.

(Circle* NA *if you have not received the listed training/support from the Regional Office.)

	Timeliness											
	1		2		3		4		5		NA	
Contact With Regional Office	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Training received at the Regional Office (or at a designated facility)	32.0	32.1	21.8	21.9	12.4	12.4	2.6	2.6	1.0	1.0	30.0	30.0
Training/guidance delivered by Client Account Managers at your institution	20.3	20.4	15.3	15.4	6.9	6.9	3.0	3.0	1.3	1.3	52.8	53.0
Handling questions regarding Direct Loan policy	35.7	35.7	32.3	32.3	14.1	14.1	3.1	3.1	1.1	1.1	13.7	13.7
Entrance/exit counseling issues	16.2	16.2	10.2	10.2	9.5	9.5	1.4	1.4	0.0	0.0	62.7	62.7
Requests for ED-provided materials	30.7	30.8	16.1	16.2	11.1	11.1	1.9	1.9	1.3	1.3	38.6	38.7
Questions/issues regarding computer systems design or implementation	18.4	18.5	13.4	13.5	10.4	10.5	3.0	3.0	1.1	1.1	53.2	53.5
Questions/issues regarding loan origination	25.8	25.9	18.6	18.6	12.5	12.5	3.3	3.3	0.6	0.6	39.0	39.1
Questions/issues regarding disbursement and/or refunding of excess funds to borrowers	22.1	22.2	15.3	15.4	12.8	12.8	3.4	3.4	0.9	0.9	45.1	45.3
Reconciliation issues	21.3	21.4	19.7	19.8	15.7	15.8	7.8	7.9	4.1	4.1	31.0	31.1
Client Account Manager's liaison with servicer, loan originator contractor, or software contractor	25.0	25.0	25.2	25.3	12.1	12.1	2.8	2.8	0.8	0.8	33.9	33.9

SECTION IV—DIRECT LOAN INSTITUTIONS
INFORMATION AND SUPPORT FROM THE DEPARTMENT OF EDUCATION'S REGIONAL OFFICE *(Continued)*

J15b) **Using a scale of 1 to 5, with 1 being very useful and 5 being not at all useful,** rate *(by circling the appropriate number)* the usefulness of the training/support you received in meeting your needs.

(Circle NA if you have not received the listed training/support from the Regional Office)

	Usefulness											
	1		2		3		4		5		NA	
Contact With Regional Office	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Training received at the Regional Office (or at a designated facility)	32.5	32.6	22.7	22.7	9.4	9.4	4.0	4.0	1.0	1.0	30.1	30.2
Training/guidance delivered by Client Account Managers at your institution	21.9	22.0	15.5	15.6	6.0	6.1	2.5	2.5	1.3	1.3	52.3	52.5
Handling questions regarding Direct Loan policy	38.8	39.0	29.4	29.5	13.4	13.5	2.3	2.3	1.9	1.9	13.7	13.8
Entrance/exit counseling issues	15.1	15.2	11.4	11.5	8.5	8.6	1.5	1.5	0.5	0.5	62.5	62.8
Requests for ED-provided materials	33.5	33.7	15.2	15.2	10.4	10.5	1.3	1.3	0.6	0.6	38.4	38.6
Questions/issues regarding computer systems design or implementation	16.3	16.4	13.1	13.2	11.6	11.7	3.9	3.9	1.2	1.2	53.4	53.6
Questions/issues regarding loan origination	25.4	25.5	18.8	18.8	13.5	13.5	2.2	2.2	0.8	0.8	39.0	39.2
Questions/issues regarding disbursement and/or refunding of excess funds to borrowers	21.7	21.8	15.0	15.1	15.0	15.1	1.7	1.7	0.9	0.9	45.1	45.4
Reconciliation issues	20.5	20.6	21.7	21.8	15.3	15.4	5.6	5.6	5.3	5.4	31.0	31.2
Client Account Manager's liaison with servicer, loan originator contractor, or software contractor	24.9	25.0	21.9	22.0	13.9	14.0	3.4	3.4	1.4	1.4	34.1	34.2

J16) How satisfied are you with your Regional Office's Client Account Manager's knowledge of financial-aid policies and procedures? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or* NA *for not applicable,*** *please circle your level of satisfaction.*

	1		2		3		4		5		NA		
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	
Very Satisfied	43.5	43.8	31.4	31.5	18.6	18.7	2.9	3.0	0.9	0.9	2.2	2.2	Very Dissatisfied

SECTION IV—DIRECT LOAN INSTITUTIONS
OVERALL IMPRESSIONS OF THE DIRECT LOAN PROGRAM

K1) Please review the statements about the Direct Loan Program listed below. Then in the appropriate column, check whether you **agree** or **disagree** that the statement is a characteristic of the Direct Loan Program.

Direct Loan Program Characteristics	Agree		Disagree	
	T%	V%	T%	V%
Borrowers are served well through the Direct Loan Program	87.5	88.4	11.5	11.6
The Direct Loan Program is simple to administer	63.7	64.9	34.5	35.1
The future of the Direct Loan Program is secure	66.4	69.1	29.7	30.9
The availability of loan funds is predictable in the Direct Loan Program	85.2	86.0	13.9	14.0
The Direct Loan Program is cost-effective to administer	71.9	73.3	26.3	26.7
The Direct Loan Program provides advanced technology	87.5	89.0	10.8	11.0
The flexibility of loan repayment options is beneficial to borrowers	96.5	97.2	2.8	2.8

K2) Please rate your general satisfaction with the Direct Loan Program during the 1997-1998 academic year. **(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied,** *circle your level of satisfaction.*)

	1		2		3		4		5		
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	
Very Satisfied	28.1	28.3	42.6	42.9	16.8	16.9	8.4	8.5	3.4	3.4	Very Dissatisfied

K3) Compared to the 1996-1997 academic year, has your overall level of satisfaction with the Direct Loan program increased, decreased, or remained the same?

T%	V%	
33.6	34.1	Increased
14.8	15.0	Decreased
50.3	51.0	Remained the same

K4) What is the most important advice you would give another institution that was preparing to implement the Direct Loan Program? {OE3}

%	
15.2	Get all training available/Attend all workshops
9.7	Have adequate computer support/technician
8.2	Plan ahead
8.0	Be sure to have adequate staff (general)
6.5	Other
6.4	Be sure to have institutional/administrative support
5.7	Need adequate technology
4.8	Go for it
4.2	DL is less work/easier to administer
4.0	Obtain adequate computer training
3.8	Create an implementation plan and test it
2.9	Keep reconciliation up to date
2.8	Get advice/support from other DL schools
2.7	Don't do it/Stay with FFEL
2.2	Good record keeping and organization is a must
2.1	DL requires more effort/difficult to administer
1.8	Designate one person to administer program
1.7	Choose software carefully
1.4	Resolve problems as they arise
1.3	Pay close attention to reconciliation process
1.2	Be prepared for lengthy training/implementation
1.1	Provide funding for training and technological upgrades
1.0	Train more staff
0.6	Expect long delays (LOC - Prom notes - disbursements)
0.6	Don't rely on LOC

K5) What specific recommendations would you give to the Department of Education on how to improve the Direct Loan Program? *(List up to two recommendations.)* {OE4}

%	
21.0	Other
12.8	Improve/simplify reconciliation
11.3	LOC personnel must be better trained/more technical support
8.7	Better/faster ED software
7.4	LOC customer services need improvement
4.2	Don't change the LOC again
3.5	More on-site visits from ED/regional account managers
3.3	Better quality phone services
2.9	Improve SSCR reporting
2.9	Better notification from ED on software problems
2.8	Increase training for schools
1.9	Fewer software changes/upgrades
1.8	Return to original loan servicer - Uttica
1.8	More flexibility to LOC for manual intervention
1.7	Don't base servicer contract onlowest bid
1.7	Need better consolidation services
1.5	More communicationbetween schools andloan servicer concerning default issues
1.4	Development of software for mainframe operating systems
1.3	Quicker PLUS loan decision making process
1.3	Improve handling of technological issues
1.2	Better integration of ED and commercial software
1.1	Better entrance/exit videos
0.9	Need accurate/up to date student loan infromation
0.7	Better/faster communication with LOC
0.5	Better testing of ED software
0.5	Advanced/specialized training for reconciliation

K6) Does your institution originate Direct PLUS loans?

(If you answer No, skip to Question K9)

T%	V%	
79.4	79.9	Yes
20.0	20.1	No

If you answered "Yes," originates Direct PLUS loans in K6:

K7) How would you characterize the level of work or staff effort needed to **administer** the PLUS Direct Loan Program? *(Check only one response.)*

T%	V%	
27.2	27.5	Very easy to administer
37.6	38.0	Relatively easy to administer, with a few areas that require a high level of effort
25.0	25.2	A moderate amount of effort is required overall
6.4	6.5	Relatively labor intensive to administer, with many areas that require a high level of effort
2.8	2.8	Very labor intensive to administer

If you answered "Yes," originates Direct PLUS loans in K6 (continued):

K8) Please indicate your satisfaction with each of the following activities or communications associated with the administration of the **Direct PLUS** loans. ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or* NA *for not applicable,*** *please circle your level of satisfaction.)*

Direct PLUS Loan Activities and Processes	Very Satisfied 1		2		3		4		Very Dissatisfied 5	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Overall satisfaction	29.5	29.8	44.2	44.7	20.0	20.3	3.5	3.6	1.7	1.7
Communications with borrowers	23.8	24.5	39.6	40.7	27.5	28.2	5.0	5.2	1.5	1.5
Level of effort expended by financial-aid office and other offices	25.3	25.6	45.2	45.8	21.2	21.4	5.3	5.3	1.8	1.8
Application processes	33.5	34.1	39.6	40.3	19.2	19.5	4.3	4.3	1.7	1.8
Credit checks and reporting of credit information	21.1	21.5	33.7	34.5	28.0	28.6	9.7	9.9	5.4	5.5
Fund disbursement and refunding excess loan funds	33.1	33.5	42.1	42.6	19.9	20.1	2.2	2.3	1.5	1.5

SECTION IV—DIRECT LOAN INSTITUTIONS
OVERALL IMPRESSIONS OF THE DIRECT LOAN PROGRAM *(Continued)*

K9) In the space below, check whether you are offering both Direct Loans and FFEL in 1997-1998 or offering only Direct Loans. Then rate the items corresponding to that column only, as indicated by the arrow.

IF OFFERING ONLY DIRECT LOANS, CHECK HERE AND ***ANSWER COLUMN A*** BELOW

T%	V%
68.4	68.8

What factors influenced your decision to be exclusively Direct Loan? Rate each item below regarding its influences or importance in the overall decision	Rating							
	1 Very Important		2 Somewhat Important		3 Not at all Important		NA Not Applicable	
	T%	V%	T%	V%	T%	V%	T%	V%
Did not want to confuse borrowers by offering two loan programs	66.5	67.0	21.9	22.1	5.6	5.6	5.2	5.3
Did not want the complexity of administering two programs simultaneously	77.8	78.4	13.6	13.7	4.2	4.2	3.6	3.6
Did not want to continue to administer the FFEL Program	32.7	33.1	24.4	24.7	19.8	20.0	22.0	22.2
Wanted to avoid cash management problems associated with the FFEL Program	29.5	29.8	22.9	23.2	23.1	23.4	23.3	23.6
Wanted to avoid uncertainty of participation in FFEL	18.9	19.1	19.6	19.8	32.3	32.7	28.1	28.4
Other (Specify):	14.7	91.4	0.3	2.0	0.1	0.9	0.9	5.7

(If you answered Column A, please skip to Section V)

IF OFFERING BOTH DIRECT LOANS AND FFEL, CHECK HERE AND *ANSWER COLUMN B*, BELOW

T%	V%
31.0	31.2

What factors influenced your decision to continue participation in FFEL? Rate each item below regarding its influences or importance in the overall decision.	Rating							
	1 Very Important		2 Somewhat Important		3 Not at all Important		NA Not Applicable	
	T%	V%	T%	V%	T%	V%	T%	V%
Did not want to confuse borrowers who already had FFEL loans	48.4	52.1	22.2	23.9	10.5	11.4	11.7	12.6
Wanted to delay full commitment until the Department of Education has gained experience with the new program	23.0	24.8	22.6	24.3	21.9	23.6	25.4	27.3
Wanted to learn how to implement the program with a control group before committing all borrowers	24.7	26.6	18.5	20.0	16.3	17.5	33.3	35.9
Wanted to maintain relationships with lender(s) and/or guarantor(s)	46.3	49.9	25.7	27.7	8.3	8.9	12.5	13.5
Wanted to keep graduate/professional students in the FFEL Program	9.9	10.7	2.3	2.5	9.7	10.5	70.6	76.3
Wanted to keep FFEL PLUS	23.4	25.2	21.5	23.2	18.6	20.0	29.3	31.5
Other (Specify):	13.3	84.4	0.5	3.1	0.0	0.0	2.0	12.5

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If you answered Column B, "offering both Direct Loans and FFEL," in Question K9:

K10) Which of the following statements best describes your plans for continued participation in both the FFEL and the Direct Loan Programs?

T%	V%	
61.7	61.7	Plan to continue to originate FFEL Staffords and FFEL PLUS loans
4.7	4.7	Plan to continue to originate FFEL PLUS only
7.2	7.2	Plan to continue to originate FFEL Staffords only
11.9	11.9	Plan to switch to exclusively Direct Loan some time in the future
14.6	14.6	Don't know/Not sure

K11) For the following areas of FFEL Program administration, please rate any changes in FFEL since the introduction of the Direct Loan Program.

	Improved		Same		Worsened		DK/NA	
FFEL Program Administration	T%	V%	T%	V%	T%	V%	T%	V%
Student's access to loans	32.2	32.2	53.8	53.8	2.0	2.0	12.1	12.1
Ease of administration of FFEL	35.9	35.9	49.4	49.4	1.9	1.9	12.7	12.7
Service from banks/guarantee agencies	57.7	57.7	29.2	29.2	0.7	0.7	12.4	12.4
Service from loan servicers/collection agencies	35.8	35.8	47.6	47.6	1.6	1.6	15.0	15.0
Service from your third party or privately contracted servicers	15.3	15.3	39.0	39.0	1.0	1.0	44.7	44.7

SECTION V—SURVEY ISSUES

L1) Do you have any suggestions or comments on this survey? [OE]

THANK YOU VERY MUCH FOR TAKING THE TIME TO FILL OUT THIS QUESTIONNAIRE.

Appendix D

Unweighted Item Response Frequencies Questionnaire

SECTION I—IDENTIFYING INFORMATION

CONFIDENTIALITY

Identities of institutions and names of individuals will be kept strictly confidential by Macro International Inc. Identifying information will be used for followup purposes only. All information obtained from this survey will be presented to the Department of Education in aggregated form.

In the spaces provided below, please enter the name, title, e-mail address, and telephone number of the person completing this form, and the date on which the questionnaire was completed.

Name:
Title:
Date:
E-mail Address:
Telephone Number:

If your address is different from the label on the front cover, please correct it in the space below.

ALL INSTITUTIONS MUST COMPLETE SECTION I, PAGES 3 AND 4

A1) Which of the following best characterizes the current structure of the Financial Aid Office(s) at your institution as it relates to processing loans? *(Check only one response.)*

T%	V%	
67.4	67.4	A single Financial Aid Office serves a single campus, branch, or school.
10.9	10.9	A separate Financial Aid Office serves each campus, branch, or school within the institution.
21.7	21.7	A single Financial Aid Office serves multiple campuses, branches, or schools within the institutions.

A2) Please indicate the type of computer system currently used by your institution to administer student financial aid. *(Check only one response.)*

T%	V%	
7.6	7.6	Mainframe system only
44.1	44.2	Mainframe-to-personal-computer (PC) with interface
16.4	16.4	Independent mainframe and personal computers (PC)
29.6	29.6	Personal computers (PC) only
2.1	2.1	No computer system used; all manual processing.

A3) Please estimate, by checking the appropriate category, how many Direct Stafford loans (subsidized and unsubsidized), Direct PLUS loans, Federal Family Education Loan (FFEL) Stafford loans (subsidized and unsubsidized), and FFEL PLUS loans your institution will originate during the **1997–1998** academic year (July 1997–June 1998).

	Estimated # of Staffords									
	None		1-250		250-999		1,000-5,000		5,000+	
Loan Program	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
FFEL	20.2	20.2	24.2	24.2	24.8	24.8	24.9	24.9	5.9	5.9
Direct Loan	73.1	73.1	5.3	5.3	6.3	6.3	9.6	9.6	5.7	5.7

	Estimated # of Plus									
	None		1-250		250-999		1,000-5,000		5,000+	
Loan Program	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
FFEL	34.0	34.0	50.4	50.5	12.1	12.1	2.9	2.9	0.5	0.5
Direct Loan	78.0	78.0	14.1	14.1	5.0	5.0	2.5	2.5	0.4	0.4

A4) (D1) Based on your answers in A3, which of the following describes your institution in terms of its loan origination in the Direct Loan and FFEL programs during the 1997–1998 academic year? ***(Please review all of the statements below, check one response only, and complete the sections of the questionnaire indicated by the arrow.)***

T%	V%		
66.6	66.6	1) In 1997–1998, institution originates FFEL loans only. Institution has never originated Direct Loans and has never been selected for participation in the Direct Loan Program.	Please Complete **Section II** **Section V**
6.5	6.5	2) In 1997–1998, institution originates FFEL loans only. Institution originated Direct Loans in a previous academic year, or institution has been selected for participation in the Direct Loan program but has yet to originate a Direct Loan.	**Please Complete** **Section II** **Section III** **Section V**
19.5	19.5	3) In 1997–1998, institution originates Direct Loans only.	**Please Complete** **Section IV** **Section V**
7.4	7.4	4) In 1997–1998, institution originates both Direct Loans and FFEL loans.	**Please Complete** **Section II** **Section IV** **Section V**
0.0	0.0	5) In 1997–1998, institution will not originate any Direct Loans or FFEL loans.	**Please Complete** **Section V**
0.0	0.0	(6) Institution is currently closed.	**Please Complete** **Section V**

B1) How many lenders do you deal with on a regular basis in the FFEL Program? *(Check only one response.)*

T%	V%	
14.3	14.3	1-2 lenders
30.0	30.0	3-5 lenders
31.7	31.7	6-10 lenders
12.4	12.5	11-20 lenders
11.5	11.5	More than 20 lenders

B2) How many guaranty agencies do you deal with on a regular basis in the FFEL Program? *(Check only one response.)*

T%	V%	
36.2	36.3	1 guarantee agency
46.4	46.5	2-3 guarantee agencies
10.2	10.3	4-5 guarantee agencies
6.9	6.9	More than 5 guarantee agencies

B3) Does your institution use electronic funds transfer (EFT) to administer the FFEL Program?

(If you answered No, skip to Question C1, page 6.)

T%	V%	
52.8	52.9	Yes
47.1	47.1	No

If you answered "Yes," use EFT in B3:

B4) What percentage of your FFEL Program loans are processed through EFT? 86.2 %

C1) How would you rate your current level of satisfaction with each of the following activities involved in administering the Federal Family Education Loan Program? *(Circle only one rating for each activity. Circle* NA *for activities that you have not yet had experience with in the Federal Family Education Loan Program.)*

Activity	Very Satisfied		Somewhat Satisfied		Somewhat Dissatisfied		Very Dissatisfied		NA	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Keeping up with regulations	37.1	37.2	53.8	53.9	6.8	6.8	1.7	1.7	0.4	0.4
Answering general questions about loans and financial aid	59.1	59.3	38.5	38.6	1.3	1.3	0.6	0.6	0.2	0.2
Counseling in-school borrowers	48.4	48.6	44.7	44.8	4.4	4.4	0.4	0.4	1.8	1.8
Processing loan applications	54.2	54.4	39.9	40.0	4.6	4.6	0.7	0.7	0.3	0.3
Requesting and receiving loan funds	53.8	54.0	39.8	40.0	4.0	4.0	0.6	0.6	1.4	1.4
Disbursing loan funds (including preparing loan checks and getting students' signatures)	40.6	40.7	46.1	46.2	8.0	8.0	1.0	1.0	4.1	4.1
Refunding excess loan funds to students	35.7	35.8	45.4	45.6	9.3	9.3	1.5	1.5	7.8	7.8
Performing reconciliation/financial monitoring and reporting	27.6	27.8	51.6	51.9	10.0	10.1	1.3	1.3	8.9	8.9
Transmitting data	38.7	38.8	40.4	40.5	5.1	5.1	1.2	1.2	14.3	14.3
Recordkeeping and reporting of student information (includes SSCRs, financial aid transcripts, and updates to NSLDS)	26.3	26.4	47.7	47.8	18.8	18.8	3.9	3.9	3.1	3.1
Assisting out-of-school borrowers	23.3	23.4	51.9	52.1	11.8	11.9	1.2	1.2	11.4	11.4

C2) How would you characterize the level of work or staff effort needed to **administer** this program on a day-to-day basis? *(Check only one response. If you are using EFT and manual processing, please take both into account when answering.)*

T%	V%	
7.7	7.7	Very easy to administer
37.5	37.5	Relatively easy to administer, with a few areas that require a high level of effort
29.1	29.2	A moderate amount of effort is required overall
21.0	21.0	Relatively labor intensive to administer, with many areas that require a high level of effort
4.6	4.6	Very labor intensive to administer

C3) Listed below are resources needed for the delivery of financial aid that may have changed at your institution. Please indicate if **increases or decreases** have occurred or will occur during the 1997-1998 academic year by circling one number for each type of resource. This question refers **only** to changes that are a direct result of changes in the FFEL Program and that occurred or are budgeted to occur in the 1997-1998 academic year. *(Circle one rating for each resource.)*

Resource	Significant Decrease		Small Decrease		No Change		Small Increase		Significant Increase	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Number of permanent or temporary staff positions related to financial-aid office	1.4	1.4	4.2	4.2	79.8	80.0	12.8	12.9	1.5	1.5
Number of permanent or temporary staff positions in the accounting or business Office	0.7	0.7	3.2	3.2	85.6	85.8	9.4	9.4	0.9	0.9
Number of staff used for technical support	0.7	0.7	3.4	3.4	82.0	82.3	12.1	12.1	1.4	1.4
Number of hours developing/modifying computer programs or systems	0.8	0.8	2.8	2.8	51.5	51.7	31.1	31.2	13.4	13.4
Number of hours current staff work	0.4	0.4	3.0	3.0	63.0	63.2	27.0	27.1	6.2	6.2
Equipment/computers	0.3	0.3	1.0	1.1	49.6	49.8	37.6	37.8	11.1	11.1
Supplies (postage, copying, etc.)	1.0	1.0	5.5	5.5	62.1	62.3	25.3	25.4	5.8	5.8
Funds for training	1.1	1.1	4.1	4.1	75.8	76.0	16.2	16.2	2.5	2.5
Funds for staff travel	1.9	1.9	4.3	4.3	74.4	74.8	16.7	16.8	2.2	2.2
Development/modification of computer programs/procedures	0.6	0.6	2.0	2.0	44.8	45.0	40.1	40.3	12.0	12.1

C4) Did the number of short-term loans (i.e., bridge loans) issued by your institution increase, decrease, or remain about the same during the 1997-1998 academic year?

T%	V%	
9.6	9.6	Increased
6.6	6.6	Decreased
35.5	35.5	Remained about the same
48.2	48.3	Not applicable (institution does not issue short-term loans)

C5) Which of the following describes the current software configuration(s) used by your institution to process FFEL loans? *(Check all that apply.)*

T%	V%	
41.2	46.1	Guaranty-agency software
4.1	4.6	Lender software
15.7	17.5	Software developed in house
12.9	14.4	Third-party servicer's software
15.5	17.4	Commercial software

C6) How satisfied are you with the software configuration used by your institution to process FFEL loans as it relates to each of the following? If your institution uses software from multiple sources please consider them collectively when answering. ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, please circle your level of satisfaction.)***

	Very Satisfied 1		2		3		4		Very Dissatisfied 5	
Performance Area	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**
Overall usefulness of software (i.e., the extent to which it can adequately perform the functions required)	28.6	33.4	33.4	38.0	17.0	19.8	8.0	8.8	1.6	1.8
Ease of integration and compatibility with your previously existing system	24.7	28.2	30.0	35.5	20.8	24.5	6.7	7.8	2.5	2.9
Processing efficiency (e.g., the ability to batch process or process multiple types of loans)	28.6	33.5	30.7	35.9	18.2	21.3	5.7	6.7	2.2	2.6

SECTION II—FFEL INSTITUTIONS

INFORMATION AND SUPPORT FROM THE DEPARTMENT OF EDUCATION, LENDERS, AND GUARANTY AGENCIES

D1) Following is a list of FFEL Program information or support that you may have received from the Department of Education, your primary lender, or your primary guarantor during the 1997-1998 academic year. For each item and each source of information or support:

a) **Using a scale of 1 to 5, with 1 being very timely and 5 being not at all timely,** rate *(by circling the appropriate number)* the timeliness of the information/support for your needs and activities. **(Circle NA if you have not received the information/support from the specified source.)**

	Timeliness											
	1		2		3		4		5		NA	
Materials/Training Provided by ED	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Information on FFEL Program rules and regulations	24.8	24.9	37.2	37.3	26.7	26.7	7.3	7.3	1.6	1.6	2.2	2.2
Telephone support for policy or administrative guidance	18.1	18.1	25.8	25.8	23.4	23.4	9.1	9.1	5.2	5.2	18.3	18.4
Borrower counseling materials	21.5	21.6	23.4	23.4	19.4	19.5	7.3	7.3	3.0	3.0	25.3	25.3
Training sessions	19.4	19.4	30.2	30.3	25.0	25.1	6.9	7.0	2.7	2.7	15.5	15.5
Software for administration or reporting functions	13.7	13.7	21.3	21.3	19.8	19.8	6.5	6.5	3.0	3.0	35.6	35.6
Materials/Training Provided by Primary Lender (or Servicer)												
Information on FFEL Program rules and regulations	29.9	30.0	32.3	32.4	16.9	16.9	3.3	3.3	1.2	1.2	16.2	16.3
Telephone support for policy or administrative guidance	38.5	38.5	28.5	28.5	12.8	12.8	3.6	3.6	1.2	1.2	15.3	15.3
Borrower counseling materials	43.0	43.0	28.7	28.8	11.9	11.9	2.6	2.6	1.1	1.1	12.6	12.6
Training sessions	21.4	21.4	21.9	21.9	15.3	15.3	3.3	3.3	1.2	1.2	36.8	36.9
Software for administration or reporting functions	17.1	17.2	16.6	16.7	11.8	11.9	2.7	2.7	1.1	1.1	50.4	50.5
Materials/Training Provided by Primary Guarantor												
Information on FFEL Program rules and regulations	44.4	44.4	34.5	34.6	13.8	13.8	3.1	3.1	1.3	1.3	3.0	3.0
Telephone support for policy or administrative guidance	48.4	48.5	28.6	28.7	12.2	12.2	3.6	3.6	2.0	2.0	4.1	4.1
Borrower counseling materials	42.0	42.1	29.6	29.6	14.2	14.2	3.2	3.2	1.6	1.6	9.3	9.3
Training sessions	36.2	36.2	31.6	31.6	16.0	16.0	3.9	3.9	1.6	1.6	10.6	10.6
Software for administration or reporting functions	29.0	29.1	24.8	24.9	12.1	12.1	2.0	2.0	2.0	2.0	29.8	29.9

SECTION II—FFEL INSTITUTIONS
INFORMATION AND SUPPORT FROM THE DEPARTMENT OF EDUCATION, LENDERS, AND GUARANTY AGENCIES *(CONTINUED)*

D1b) **Using a scale of 1 to 5, with 1 being very useful and 5 being not at all useful,** rate *(by circling the appropriate number)* the usefulness of the information/support. By "usefulness" we mean effectiveness in providing the instructions or services needed by your institution. **(Circle NA if you have not received the information/support from the specified source.)**

Materials/Training Provided by ED	**Usefulness**											
	1		**2**		**3**		**4**		**5**		**NA**	
	T%	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**
Information on FFEL Program rules and regulations	34.4	34.5	35.7	35.9	21.3	21.3	4.5	4.5	1.3	1.3	2.5	2.5
Telephone support for policy or administrative guidance	25.3	25.4	25.1	25.2	19.4	19.5	6.8	6.9	3.8	3.8	19.2	19.3
Borrower counseling materials	24.2	24.3	23.3	23.4	17.2	17.3	5.5	5.5	3.1	3.1	26.2	26.4
Training sessions	25.9	26.0	28.5	28.7	21.0	21.2	5.7	5.7	2.2	2.2	16.1	16.2
Software for administration or reporting functions	17.3	17.4	21.1	21.2	15.7	15.8	5.9	5.9	3.6	3.7	36.0	36.1
Materials/Training Provided by Primary Lender (or Servicer)												
Information on FFEL Program rules and regulations	35.1	35.3	29.8	29.9	14.2	14.3	3.1	3.1	1.3	1.3	16.1	16.2
Telephone support for policy or administrative guidance	41.7	41.9	26.4	26.5	11.5	11.6	3.7	3.7	1.0	1.1	15.2	15.3
Borrower counseling materials	46.5	46.7	26.3	26.4	10.5	10.5	2.6	2.6	1.4	1.4	12.3	12.4
Training sessions	24.3	24.4	20.9	21.0	12.7	12.7	3.0	3.0	1.6	1.6	37.3	37.4
Software for administration or reporting functions	18.2	18.3	16.5	16.5	10.4	10.5	2.2	2.2	1.3	1.3	50.9	51.2
Materials/Training Provided by Primary Guarantor												
Information on FFEL Program rules and regulations	50.2	50.3	30.3	30.4	11.6	11.7	2.8	2.8	1.5	1.5	3.3	3.3
Telephone support for policy or administrative guidance	52.8	52.9	26.7	26.7	10.7	10.7	3.4	3.4	1.9	1.9	4.3	4.3
Borrower counseling materials	44.7	45.0	27.9	28.1	12.4	12.5	3.4	3.4	1.5	1.5	9.4	9.5
Training sessions	39.4	39.5	30.1	30.1	13.8	13.8	3.7	3.7	1.6	1.6	11.2	11.2
Software for administration or reporting functions	31.4	31.5	23.1	23.1	11.1	11.1	2.3	2.3	2.0	2.0	29.9	30.0

SECTION II—FFEL INSTITUTIONS

INFORMATION AND SUPPORT FROM THE DEPARTMENT OF EDUCATION, LENDERS, AND GUARANTY AGENCIES *(CONTINUED)*

D2) What percentage of your loan volume is handled by your **primary** lender?

58.2 %

D3) What percentage of your loan volume is handled by your **primary** guaranty agency?

86.4 %

D4) For each of the following **loan repayment** activities, please indicate the frequency of each type of communication or interaction between your institution and your FFEL servicer(s). If the interaction did not occur, please circle 4, *Never. (Circle the appropriate rating.)*

	Frequently		Sometimes		Seldom		Never	
	1		2		3		4	
Loan Repayment Activities	T%	V%	T%	V%	T%	V%	T%	V%
Refer borrowers to servicer(s) for information and/or materials	28.4	28.4	48.3	48.4	17.1	17.2	6.0	6.0
Contact servicer(s) directly to obtain forms/information	30.3	30.3	47.0	47.1	17.1	17.2	5.4	5.4
Intervene with servicer(s) at the request of borrowers	18.1	18.1	47.2	47.3	27.2	27.3	7.3	7.3
Other interaction with servicer(s) (Specify):	4.1	42.4	4.2	43.5	1.1	11.3	0.3	2.8

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SECTION II—FFEL INSTITUTIONS
INFORMATION AND SUPPORT FROM THE DEPARTMENT OF EDUCATION, LENDERS, AND GUARANTY AGENCIES *(CONTINUED)*

D5) For **each** of the following **consolidation** activities, please indicate the frequency of each type of communication or interaction between your institution and your FFEL servicer(s). If the interaction did not occur, please circle 4, *Never*. *(Circle the appropriate rating.)*

	Frequently		Sometimes		Seldom		Never	
	1		2		3		4	
Consolidation Activities	T%	V%	T%	V%	T%	V%	T%	V%
Refer borrowers to servicer(s) for information and/or materials	21.4	21.5	38.1	38.2	26.3	26.4	14.0	14.0
Contact servicer(s) directly to obtain forms/information	8.7	8.7	30.5	30.5	37.3	37.4	23.3	23.4
Intervene with servicer(s) at the request of borrowers	6.4	6.4	27.5	27.5	38.9	39.0	27.0	27.0
Other interaction with servicer(s) (Specify):	1.1	39.2	1.0	37.3	0.3	9.8	0.4	13.7

D6) **Overall,** how satisfied are you with the communications that you have had with your FFEL servicer concerning loan repayment and consolidation? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or* NA *for not applicable,** please circle your level of satisfaction.)*

	Very Satisfied 1		2		3		4		Very Dissatisfied 5		NA	
Type of Communication	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T %	V%
Loan repayment	26.9	26.9	41.6	41.6	19.7	19.7	2.4	2.4	0.9	0.9	8.5	8.5
In-school FFEL consolidation	12.7	12.7	23.7	23.8	20.5	20.5	2.9	2.9	1.3	1.3	38.7	38.8
Out-of-school FFEL consolidation	14.0	14.1	27.7	27.8	22.2	22.3	4.0	4.0	1.7	1.7	30.1	30.2

D7) How satisfied are you with the communications and support you have received from your FFEL servicer(s) during the 1997-1998 academic year. ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied,** please circle your level of satisfaction.)*

	1		2		3		4		5		
	T%	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	
Very Satisfied	31.1	31.3	45.2	45.5	19.1	19.2	3.2	3.2	0.8	0.8	Very Dissatisfied

D8) In your opinion, is the overall level of communication and support currently being provided by your FFEL servicer(s) better than, worse than, or about the same as that provided during the 1996-1997 academic year?

T%	V%	
31.8	32.0	Better than 1996-1997
2.8	2.8	Worse than 1996-1997
64.7	65.1	About the same

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SECTION II—FFEL INSTITUTIONS
OVERALL IMPRESSIONS OF THE FFEL PROGRAM

E1) Please review the statements about the FFEL Program listed below. Then in the appropriate column, check whether you **agree** or **disagree** that the statement is a characteristic of the FFEL Program.

	Agree		Disagree	
FFEL Program Characteristics	**T%**	**V%**	**T%**	**V%**
Borrowers are served well through the FFEL Program	96.1	96.6	3.4	3.4
The FFEL Program is simple to administer	74.1	74.4	25.5	25.6
The FFEL Program is secure	85.6	87.1	12.7	12.9
The availability of loan funds is predictable in the FFEL Program	91.3	91.9	8.0	8.1
The FFEL Program is cost-effective to administer	86.0	87.2	12.7	12.8
The FFEL program utilizes advanced technology	88.9	90.3	9.6	9.7
The flexibility of loan repayment options is beneficial to borrowers	92.9	93.8	6.2	6.2

E2) Please rate your general satisfaction with the Federal Family Education Loan Program during the 1997-1998 academic year. ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied,** please circle your level of satisfaction.)*

	1		2		3		4		5		
	T%	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	
Very Satisfied	37.7	37.8	46.5	46.6	13.1	13.1	1.6	1.6	0.8	0.8	Very Dissatisfied

OVERALL IMPRESSIONS OF THE FFEL PROGRAM *(CONTINUED)*

E3) Compared to the 1996-1997 academic year, has your overall level of satisfaction this year with the Federal Family Education Loan Program increased, decreased, or remained the same?

T%	V%	
26.7	26.9	Increased
2.8	2.8	Decreased
70.0	70.4	Remained the same

SECTION II—FFEL INSTITUTIONS
OVERALL IMPRESSIONS OF THE FFEL PROGRAM *(CONTINUED)*

E4) What specific recommendations would you give to the Department of Education or loan servicers on how to improve the administration of the FFEL Program? *(List up to two recommendations.)* {OE1}

%	
29.4	Other
5.6	Parity between FFELP and DLP
4.3	Better/more conveniently located ED training
4.3	Simplify Loan application/ combine with FAFSA
4.2	Repeal 3-day EFT disbursement
3.5	Repeal 30-day disbursement
3.5	Improved software, Web/EdExpress
3.3	ED improve data, accuracy/dissemination
3.1	Institute Master Prom Note.
2.7	Loan limits increased
2.6	Interest rates set to encourage lenders
2.3	ED/Telephone hotline
2.3	Servicers/Lenders improve customer service to students
2.3	None; pleased.
2.2	Servicers/Lenders improve communications on student status
2.1	ED improve regulation updates/info
2.1	ED improve borrower communication
2.1	Loan limits decreased
1.8	Do not hold institutions responible for student defaults
1.7	ED more active in counseling
1.7	Regulate secondary market for student loans
1.4	Mandate EFT use/participation
1.3	Regulate borrower solicitation be lenders
1.3	Increase competition between FFEL and DL
1.3	EFT easier/more flexible
1.2	End Multiple disbursements
1.2	Reinstitution of credit checks
1.0	Relax Multiple Deferment Rule
1.0	Regulatory/fee reduction for schools w/ low defaults
0.9	School control over lender approval
0.9	Adopt "commonline" software standard
0.5	Reduce/drop Guarantee and/or Origination fees
0.5	Reduced fees for EDE system/on-line system

E5) Does your institution originate FFEL PLUS loans?

(If you answer No, skip to Question E8, page 14.)

T%	V%	
80.4	80.7	Yes
19.2	19.3	No

If you answered "Yes," originates FFEL PLUS loans in E5:

E6) How would you characterize the level of work or staff effort needed to **administer** the FFEL PLUS Program? *(Check only one response.)*

T%	V%	
24.7	24.7	Very easy to administer
37.8	37.9	Relatively easy to administer, with a few areas that require a high level of effort
27.1	27.2	A moderate amount of effort is required overall
8.5	8.5	Relatively labor intensive to administer, with many areas that require a high level of effort
1.7	1.7	Very labor intensive to administer

SECTION II—FFEL INSTITUTIONS
OVERALL IMPRESSIONS OF THE FFEL PROGRAM *(CONTINUED)*

E7) Please indicate your satisfaction with each of the following activities or communications associated with the administration of **FFEL PLUS** loans. ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or* NA *for not applicable,** please circle your level of satisfaction.)*

FFEL PLUS Activities and Processes	Very Satisfied 1		2		3		4		Very Dissatisfied 5	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Overall satisfaction	29.3	29.4	51.6	51.8	16.4	16.4	2.1	2.1	0.3	0.3
Communications with borrowers	24.7	24.8	48.5	48.7	23.4	23.5	2.5	2.5	0.6	0.6
Application processes	30.2	30.3	46.9	47.1	18.8	18.9	3.4	3.5	0.3	0.3
Credit checks and reporting of credit information	23.1	23.3	42.7	43.0	25.9	26.1	6.2	6.2	1.3	1.4
Fund disbursement and refunding excess loan funds	25.2	25.4	45.8	46.1	21.9	22.0	5.3	5.3	1.3	1.3

E8) Please review all of the following statements and indicate which describes your status or plans for participation in the Direct Loan Program. *(Check only one response.)*

T%	V%	
9.1	9.1	Currently participating in the Direct Loan Program
1.7	1.7	Institutions originated Direct Loans in a previous academic year but no longer participates
5.1	5.1	Institution has been selected for participation in the Direct Loan Program but has yet to originate a Direct Loan
8.3	8.3	Was accepted into Direct Loan Program but chose not to participate
0.4	0.4	Applied for Year 5 of the Direct Loan Program; application accepted or pending
1.3	1.3	Will be applying for Year 6 of the Direct Loan Program
0.3	0.3	Application for Direct Loan Program rejected
73.6	73.7	Not planning to apply for Direct Loan Program

SECTION III
INSTITUTION FORMERLY PARTICIPATED IN DIRECT LENDING OR HAS YET TO ORIGINATE DIRECT LOANS

If you answered "yet to originate a Direct Loan" in E8:

F1) When was your institution selected for participation in the Direct Loan Program? (*Check only one response.*)

T%	V%	
9.8	10.2	Academic year 1994-1995
37.0	38.6	Academic year 1995-1996
23.9	25.0	Academic year 1 996-1997
25.0	26.1	Academic year 1997-1998

F2) In what academic year do you plan to originate your first Direct Loan? (*Check only one response.*)

T%	V%	
18.5	19.3	Academic year 1998-1999
0.0	0.0	Academic year 1999-2000
77.2	80.7	Don't know/Not sure

If you answered "no longer participates" in Direct Loan Program in E8:

F3) When did your institution begin participating in the Direct Loan Program? (*Check only one response.*)

T%	V%	
23.3	23.3	Academic year 1994-1995
66.7	66.7	Academic year 1995-1996
10.0	10.0	Academic year 1996-1997

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SECTION III
INSTITUTION FORMERLY PARTICIPATED IN DIRECT LENDING OR HAS YET TO ORIGINATE DIRECT LOANS *(CONTINUED)*

F4) When did your institution stop participating in the Direct Loan Program? (*Check only one response.*)

T%	V%	
3.3	3.3	Academic year 1994-1995
20.0	20.0	Academic year 1995-1996
76.7	76.7	Academic year 1996-1997

F5) Please indicate (in the space below) why your institution is no longer participating in the Direct Loan Program. {OE2}

%	
45.5	Too labor intensive/time consuming
31.8	Other
13.6	Problems with LOC
9.1	FFELP better/improved

SECTION IV—DIRECT LOAN INSTITUTIONS
BACKGROUND INFORMATION

G1) In what academic year did your institution begin originating loans in the Direct Loan program? (*Check only one response.*)

T%	Y%	
16.2	16.2	1994-1995 (Year 1)
71.6	71.9	1995-1996 (Year 2)
8.6	8.6	1996-1997 (Year 3)
3.3	3.3	1997-1998 (Year 4)

G2) After your institution was selected for participation, did you delay origination of Direct Loans in order to plan implementation? (*Check only one response.*)

T%	Y%	
8.3	8.3	Yes, delayed 1 year
1.0	1.0	Yes, delayed 2 years
0.5	0.5	Yes, delayed more than 2 years
89.9	90.2	No, implemented directly after selected for participation

G3) Please indicate whether you are currently participating in the Direct Loan Program as an option 1, option 2, or option 3 institution (as defined by the Department of Education).

T%	Y%	
24.6	24.9	Option 1 (formerly Level two institution)
68.5	69.3	Option 2 (formerly Level one institution)
5.8	5.8	Option 3 (formerly Level three institution)

SECTION IV—DIRECT LOAN INSTITUTIONS
IMPLEMENTING INSTITUTIONS

Questions H1 and H2 are for institutions that began implementing the Direct Loan Program in the 1997–1998 academic year. If you began originating Direct Loans in a previous academic year, please skip to Question I1.

H1) The following items describe various activities and processes necessary for the implementation and startup of the Direct Loan Program. This question refers to the **startup activities only**; it does not cover ongoing administration. This may be a question for which you want to consult other staff (such as the business office or the bursar's office) involved in setting up the processes. Please rate the ease of setting up these processes at your institution on the following scale. *(Circle one rating for each activity.)*

	Ease of Implementation							
	Easy to set up process		Moderate level of effort required		Difficult to set up process		Not applicable	
Activities and Processes	TT%	W%	TT%	W%	TT%	W%	TT%	W%
Identification of Direct Lending functions and assignment of responsibilities	20.0	20.0	50.0	50.0	25.0	25.0	5.0	5.0
Installation of EDExpress onto your institution's own computer system	40.0	40.0	10.0	10.0	10.0	10.0	40.0	40.0
Development and conduct of internal staff training on the Direct Loan Program	15.0	15.0	55.0	55.0	20.0	20.0	10.0	10.0
Development of procedures/materials to counsel borrowers on Direct Lending	40.0	40.0	40.0	40.0	5.0	5.0	15.0	15.0
Development of institutional procedures for processing loan applications and ensuring loan origination	15.0	15.0	65.0	65.0	20.0	20.0	0.0	0.0
Development of promissory note review and transmittal procedures	30.0	30.0	50.0	50.0	20.0	20.0	0.0	0.0
Development of loan disbursement procedures (e.g., crediting student accounts)	35.0	35.0	50.0	50.0	15.0	15.0	0.0	0.0
Development of internal recordkeeping and procedures for reporting to Direct Loan System (includes tracking information on borrowers and their loans both during and after enrollment period, and communication about borrowers to ED and its contractors)	15.0	15.0	45.0	45.0	30.0	30.0	10.0	10.0
Development of institutional cash management procedures (includes estimating capital needs, tracking receipt of funds, and reporting cancellations or refunds)	20.0	20.0	45.0	45.0	20.0	20.0	15.0	15.0
Development of reconciliation procedures at your institution	10.0	10.0	50.0	50.0	30.0	30.0	10.0	10.0

SECTION IV—DIRECT LOAN INSTITUTIONS
IMPLEMENTING INSTITUTIONS (CONTINUED)

H2) How satisfied are you with the Department of Education's responsiveness to reported problems or difficulties during your implementation of the Direct Loan Program? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or NA for not applicable,** please circle your level of satisfaction.)*

	1		2		3		4		5		
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	
Very Satisfied	26.3	26.3	31.6	31.6	21.1	21.1	15.8	15.8	5.3	5.3	Very Dissatisfied

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SECTION IV—DIRECT LOAN INSTITUTIONS
ADMINISTRATION OF THE DIRECT LOAN PROGRAM

I1) How would you rate your overall level of satisfaction with each of the following activities involved in administering the Direct Loan Program? *(Circle only one rating for each activity. Circle NA for activities that you have not yet had experience with in the Direct Loan Program.)*

Activity	Very Satisfied		Somewhat Satisfied		Somewhat Dissatisfied		Very Dissatisfied		NA	
	T%	W%	T%	W%	T%	W%	T%	W%	T%	W%
Keeping up with regulations	42.7	42.9	51.5	51.7	4.8	4.8	0.3	0.3	0.3	0.3
Answering general questions about loans and financial aid	55.9	56.1	38.1	38.2	4.1	4.1	0.3	0.3	1.2	1.2
Counseling in-school borrowers	52.5	52.6	38.4	38.5	4.0	4.0	0.7	0.7	4.3	4.3
Processing loan applications	62.5	62.7	27.9	28.0	4.8	4.8	1.7	1.7	2.8	2.8
Processing promissory notes	56.1	56.2	31.4	31.4	7.8	7.8	2.5	2.5	2.0	2.0
Creating and transmitting origination records	58.9	59.1	29.4	29.5	8.7	8.8	1.0	1.0	1.7	1.7
Requesting and receiving loan funds	60.5	60.8	27.5	27.6	4.0	4.0	1.7	1.7	5.9	6.0
Disbursing of loan funds (including preparing loan checks and getting student to sign)	54.0	54.1	30.2	30.3	3.3	3.3	1.3	1.3	10.9	10.9
Refunding excess loan funds to borrowers	41.4	41.6	39.4	39.6	6.4	6.5	2.0	2.0	10.2	10.3
Performing reconciliation/financial monitoring and reporting	11.7	11.8	38.3	38.5	31.2	31.3	13.4	13.4	5.0	5.0
Transmitting data	50.0	50.1	37.8	37.9	9.1	9.1	0.7	0.7	2.3	2.3
Recordkeeping and reporting of student information (includes SSCRs, and updates to the Direct Loan Servicing Center or NSLDS)	22.6	22.7	44.6	44.7	20.1	20.2	5.6	5.6	6.8	6.8
Assisting out-of-school borrowers	21.5	21.5	52.1	52.2	12.4	12.4	2.6	2.6	11.2	11.2

I2) How would you characterize the level of work or staff effort needed to **administer** Direct Lending on a day-to-day basis? *(Check only one response.)*

T%	W%	
9.2	9.3	Very easy to administer
38.6	38.7	Relatively easy to administer, with a few areas that require a high level of effort
26.6	26.6	A moderate amount of effort is required overall
18.3	18.3	Relatively labor intensive to administer, with many areas that require a high level of effort
7.1	7.1	Very labor intensive to administer

13) Listed below are resources needed for the delivery of financial aid that may have changed at your institution since it began administering the Direct Loan Program. Please indicate for each type of resource if **increases or decreases** have occurred or will occur during the 1997–1998 academic year. This question refers only to changes that are a **direct result** of participating in the Direct Loan Program. *(Circle one rating for each resource.)*

	Level of Change									
	Significant Decrease		Small Decrease		No Change		Small Increase		Significant Increase	
Resources	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Number of permanent or temporary staff positions in the financial aid office	1.8	1.8	6.6	6.6	69.5	69.6	19.6	19.7	2.3	2.3
Number of permanent or temporary staff positions in accounting office or the business office	1.2	1.2	3.5	3.5	81.5	81.9	13.0	13.1	0.3	0.3
Number of staff used for technical support	0.5	0.5	1.8	1.8	71.0	71.2	22.3	22.4	4.1	4.1
Number of hours developing/modifying computer programs/procedures	1.0	1.0	2.1	2.2	37.0	37.3	40.4	40.8	18.6	18.8
Number of hours current staff work	2.3	2.3	6.3	6.3	52.3	52.6	26.9	27.0	11.7	11.8
Equipment/computers	0.5	0.5	0.7	0.7	36.0	36.1	39.6	39.7	22.9	23.0
Supplies (postage, copying, etc.)	1.8	1.8	5.1	5.1	47.0	47.2	31.7	31.8	14.0	14.1
Funds for training	1.3	1.3	2.1	2.1	59.2	59.3	28.9	28.9	8.3	8.3
Funds for staff travel	1.3	1.3	2.5	2.5	56.1	56.3	30.5	30.6	9.2	9.3

14) **Did the number of short-term loans (i.e., bridge loans) issued by your institution increase, decrease, or remain about the same during the 1997–1998 academic year?**

T%	V%	
7.4	7.5	Increased
13.4	13.4	Decreased
33.3	33.4	Remained about the same
45.5	45.7	Not applicable (institution does not issue short-term loans)

I5) For each of the specific administrative functions listed in the table below, please indicate the level of **change in workload** (if any) resulting from administering the Direct Loan Program. *(Circle one rating for each administrative function.)*

Administrative Function	Change in Workload									
	Significant Decrease		Small Decrease		No Change		Small Increase		Significant Increase	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Overall change in workload at your institution due to administering the Direct Loan Program	6.3	6.3	11.2	11.3	27.4	27.5	33.7	33.8	21.1	21.2
Training financial-aid staff	2.3	2.3	4.0	4.0	29.2	29.4	44.4	44.7	19.5	19.6
Counseling borrowers on Direct Lending	1.8	1.8	3.8	3.8	61.2	61.5	23.8	23.9	8.9	9.0
Processing loan applications	12.7	12.8	15.8	15.9	31.8	32.0	26.4	26.5	12.7	12.8
Processing promissory notes	7.5	7.5	10.6	10.7	27.8	28.0	30.6	30.9	22.7	22.9
Creating and transmitting origination records	5.0	5.0	7.4	7.5	31.7	31.9	36.3	36.6	18.8	19.0
Advising borrowers on the status of loans	11.7	11.8	12.0	12.1	44.1	44.3	21.8	21.9	9.9	10.0
Requesting and receiving loan funds	12.9	13.1	10.9	11.1	40.9	41.8	24.3	24.7	9.1	9.3
Disbursing loan funds to borrowers	17.3	17.5	12.9	13.0	38.3	38.7	19.8	20.0	10.7	10.8
Recordkeeping and reporting (includes tracking information on borrowers and their loans both during and after enrollment period, and communication about borrowers to other organizations)	5.1	5.1	8.4	8.5	33.2	33.3	29.5	29.7	23.3	23.4
Canceling and changing loans	10.4	10.4	12.9	12.9	30.4	30.5	27.2	27.3	18.8	18.9
Cash management	5.4	5.5	6.3	6.4	32.0	32.4	34.2	34.6	20.8	21.1
Reconciliation	2.0	2.0	4.6	4.7	18.5	18.8	33.4	33.9	40.1	40.6

If you answered "Increase" or "Decrease" in "Overall change in workload," in Question I51:

I6) If you indicated an overall change in workload resulting from administering Direct Lending, please specify whether you think the change is **temporary** (i.e., will occur only during the initial phase of the process) or **permanent** (i.e., will continue in the regular operation of the Direct Loan Program.)

T%	V%	
14.6	14.6	Temporary
85.2	85.4	Permanent

SECTION IV—DIRECT LOAN INSTITUTIONS
ADMINISTRATION OF THE DIRECT LOAN PROGRAM *(CONTINUED)*

I7) Please check the statement below that applies to your perception of the Financial Aid Office's staffing or workload changes related to your institution's participation in the Direct Loan Program. *(Check all that apply.)*

T%	V%	
2.7	2.7	Staff have been released to other departments or released from the institution
20.3	20.4	Staff have more time to work on other financial-aid functions
42.1	42.3	No change in staffing
21.1	21.1	Staff are working extra hours to accommodate the added activities
13.4	13.4	Extra staff have been hired in the Financial Aid Office to accommodate the added activities

I8) Which of the following describes the current software configuration(s) used by your institution to process Direct Loans? *(Check all that apply.)*

T%	V%	
55.4	55.6	EDExpress software
18.9	19.0	Commercial software
12.2	12.3	Software developed in house
13.1	13.1	Third-party servicer's software

If you checked "EDExpress software" in Question I8:

I9) How satisfied are you with the EDExpress software used by your institution to process Direct Loans as it relates to each of the following? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied,** please circle your level of satisfaction.)*

Performance Area	Very Satisfied 1		2		3		4		Very Dissatisfied 5	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Overall usefulness of software (i.e., the extent to which it can adequately perform the functions required)	28.1	28.3	43.0	43.2	18	18.2	7.8	7.8	2.5	2.5
Ease of integration and compatibility with your previously existing system	19.4	19.6	34.1	34.4	26.8	27.0	13.9	14.0	5.1	5.1
Processing efficiency (e.g., the ability to batch-process or process multiple types of loans)	29.4	29.5	38.7	38.8	18.8	18.9	8.8	8.8	4.0	4.0

If you checked "commercial software" in Question I8:

I10) How satisfied are you with the commercial software used by your institution to process Direct Loans as it relates to each of the following? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied,** please circle your level of satisfaction.)*

	Very Satisfied 1		2		3		4		Very Dissatisfied 5	
Performance Area	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**
Overall usefulness of software (i.e., the extent to which it can adequately perform the functions required)	29.4	29.6	34.6	34.8	21.3	21.5	10.3	10.4	3.7	3.7
Ease of integration and compatibility with your previously existing system	34.1	34.3	30.4	30.6	20.7	20.9	9.6	9.7	4.4	4.5
Processing efficiency (e.g., the ability to batch-process or process multiple types of loans)	37.5	38.1	27.9	28.4	21.3	21.6	8.8	9.0	2.9	3.0

I11) Have you frequently encountered any of the following problems with loan processing during the 1997-1998 academic year? *(Check all that apply.)*

T%	V%	
22.0	24.1	Problems with interactions/communications with the loan origination center
22.8	25.0	Problems with transmission of records to or from the loan origination center
19.3	21.1	System or software problems
17.9	19.6	Promissory-note problems
9.4	10.2	Other

I12) If you encountered any of the above difficulties with loan processing, did the problems have any of the following effects? *(Check all that apply).*

T%	V%	
15.5	17.2	Delayed receipt of loan funds
25.5	28.4	Problems or delays in booking loans
29.3	32.6	Problems or delays in reconciliation
19.5	21.8	Delayed disbursement of funds to borrowers

SECTION IV—DIRECT LOAN INSTITUTIONS
INFORMATION AND SUPPORT FROM THE DEPARTMENT OF EDUCATION, LOAN ORIGINATION CENTER, OR ED SERVICER

J1) Following is a list of Direct Loan Program information or support that you may have received from the Department of Education, its Loan Origination Center (LOC) or its servicer during the 1997-1998 academic year. For each item:

a) **Using a scale of 1 to 5, with 1 being very timely and 5 being not at all timely,** rate *(by circling the appropriate number)* the timeliness of the information/support for your needs and activities.

Material/Training Provided by ED	Timeliness											
	1		2		3		4		5		NA	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Information on Direct Loan Program rules and regulations	39.6	39.7	35.8	35.9	16.5	16.6	4.6	4.6	1.5	1.5	1.7	1.7
Telephone support for policy or administrative guidance	26.1	26.2	30.4	30.5	25.6	25.7	7.9	7.9	2.8	2.8	6.9	7.0
Direct Loan Users Guide	31.7	31.7	33.8	33.9	21.9	22.0	5.9	6.0	2.5	2.5	4.0	4.0
In-person assistance	18.3	18.3	17.7	17.7	12.7	12.7	5.6	5.6	3.0	3.0	42.6	42.6
Borrower counseling materials	42.4	42.5	31.4	31.5	17.3	17.4	4.1	4.1	2.5	2.5	2.0	2.0
Consolidation booklet	25.2	25.5	23.9	24.1	18.3	18.5	4.6	4.7	4.0	4.0	23.1	23.3
Training materials for counselors	31.0	31.2	28.1	28.2	18.0	18.1	4.6	4.6	2.1	2.2	15.7	15.8
Entrance/exit counseling videos	31.5	31.6	26.1	26.1	18.2	18.2	3.8	3.8	3.0	3.0	17.3	17.4
Preprinted promissory notes	44.2	44.4	21.3	21.4	9.2	9.3	3.0	3.0	2.1	2.2	19.8	19.9
Reconciliation guide	23.1	23.3	25.1	25.3	25.6	25.8	8.9	9.0	2.6	2.7	13.7	13.8
Loan origination support	29.5	29.6	27.4	27.5	26.6	26.7	8.4	8.4	3.6	3.6	4.1	4.1
Loan reconciliation support	17.3	17.5	21.1	21.3	26.6	26.8	15.5	15.6	9.2	9.3	9.4	9.5
Training and technical support	25.7	25.9	26.4	26.5	27.4	27.5	7.6	7.6	3.3	3.3	9.1	9.1
Software for administration or reporting functions	22.1	22.2	22.6	22.7	20.5	20.5	5.8	5.8	2.1	2.2	26.6	26.7
Videoconferences	14.2	14.2	18.2	18.2	15.5	15.6	4.1	4.1	1.2	1.2	46.5	46.7

J1b) **Using a scale of 1 to 5, with 1 being very useful and 5 being not at all useful,** rate *(by circling the appropriate number)* the usefulness of the information/support in providing the instruction or service needed by your institution.

(Circle* NA *if you have not received the information/support from ED.)

Material/Training Provided by ED	Usefulness											
	1		2		3		4		5		NA	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Information on Direct Loan Program rules and regulations	46.7	47.3	32.3	32.8	13.4	13.5	3.1	3.2	1.3	1.3	1.8	1.8
Telephone support for policy or administrative guidance	35.5	36.0	27.2	27.6	18.5	18.8	7.8	7.9	3.0	3.0	6.6	6.7
Direct Loan Users Guide	33.3	33.7	29.5	29.9	23.1	23.4	6.6	6.7	2.1	2.2	4.1	4.2
In-person assistance	21.8	22.1	15.2	15.4	12.5	12.8	3.8	3.9	2.5	2.5	42.6	43.3
Borrower counseling materials	52.5	53.0	28.7	29.0	12.0	12.2	2.5	2.5	1.8	1.8	1.5	1.5
Consolidation booklet	28.7	29.2	24.9	25.3	16.5	16.8	3.1	3.2	1.7	1.7	23.4	23.8
Training materials for counselors	31.7	32.2	27.7	28.1	18.8	19.1	2.6	2.7	2.3	2.3	15.3	15.6
Entrance/exit counseling videos	31.2	31.6	21.1	21.4	13.0	13.2	7.4	7.5	8.1	8.2	17.8	18.1
Preprinted promissory notes	52.8	53.4	16.2	16.4	6.9	7.0	1.8	1.8	1.5	1.5	19.6	19.9
Reconciliation guide	24.8	25.2	24.3	24.7	23.6	24.0	8.6	8.7	3.1	3.2	14.0	14.3
Loan origination support	34.8	35.3	26.2	26.6	21.1	21.4	7.6	7.7	4.5	4.5	4.5	4.5
Loan reconciliation support	23.4	23.9	18.2	18.5	26.4	26.9	12.5	12.8	8.6	8.7	9.1	9.2
Training and technical support	28.7	29.0	24.6	24.9	25.6	25.9	7.3	7.3	3.6	3.7	9.1	9.2
Software for administration or reporting functions	22.1	22.4	24.1	24.4	17.5	17.7	6.3	6.3	2.3	2.3	26.6	26.9
Videoconferences	13.2	13.4	14.9	15.0	17.8	18.0	3.3	3.3	1.7	1.7	48.0	48.6

SECTION IV—DIRECT LOAN INSTITUTIONS
INFORMATION AND SUPPORT FROM THE DEPARTMENT OF EDUCATION, LOAN ORIGINATION CENTER, OR ED SERVICER *(CONTINUED)*

J2) For each of the following **loan repayment** activities, please indicate the frequency of each type of communication or interaction between your institution and the Department of Education's servicer. If the interaction did not occur, please circle 4, *Never*. *(Circle the appropriate rating.)*

Loan Repayment Activities	Frequently		Sometimes		Seldom		Never	
	T%	V%	T%	V%	T%	V%	T%	V%
Refer borrowers to the servicer for loan repayment information and/or materials	32.8	32.9	43.6	43.6	17.7	17.7	5.8	5.8
Contact servicer directly to obtain forms/information	21.1	21.2	50.2	50.3	20.1	20.2	8.3	8.3
Intervene with servicer at the request of borrowers	10.4	10.4	41.6	41.7	33.2	33.2	14.7	14.7
Other interaction with servicer (Specify):	4.5	42.2	4.1	39.1	1.2	10.9	0.8	7.8

J3) For each of the following **consolidation** activities, please indicate the frequency of each type of communication or interaction between your institution and the Department of Education's Loan Origination Center. If the interaction did not occur, please circle 4, *Never*. *(Circle the appropriate rating.)*

Consolidation Activities	Frequently		Sometimes		Seldom		Never	
	T%	V%	T%	V%	T%	V%	T%	V%
Refer borrowers to loan origination center for consolidation information and/or materials	35.4	35.5	35.5	35.7	17.9	17.9	10.9	10.9
Contact loan origination center directly to obtain forms/information	10.1	10.1	33.4	33.6	35.7	35.9	20.3	20.4
Intervene with loan origination center at the request of borrowers	7.6	7.6	30.4	30.5	33.9	34.0	27.8	27.9
Other interaction with loan origination center (Specify):	2.5	46.9	1.3	25.0	0.5	9.4	1.0	18.8

SECTION IV—DIRECT LOAN INSTITUTIONS

INFORMATION AND SUPPORT FROM THE DEPARTMENT OF EDUCATION, LOAN ORIGINATION CENTER, OR ED SERVICER *(CONTINUED)*

J4) Overall, how satisfied are you with the communications that you have had with the Department of Education's servicer or Loan Origination Center concerning loan repayment and consolidation? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or* NA *for not applicable, please circle your level of satisfaction.)***

Communication	Very Satisfied 1		2		3		4		Very Dissatisfied 5		NA	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Loan repayment	15	15.7	34.5	34.5	27.7	27.8	5.0	5.0	1.7	1.7	15.3	15.4
In-school Direct Loan consolidation	8.	8.3	20.3	20.4	28.4	28.5	7.1	7.1	4.0	4.0	33.7	33.8
Out-of-school Direct Loan consolidation	6.	6.8	21.3	21.4	28.1	28.2	7.1	7.1	4.8	4.8	31.5	31.7

J5) How satisfied are you with the communications and support you have received from the Department of Education's Loan Origination Center during the 1997-1998 academic year? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied,** please circle your level of satisfaction.)*

	1		2		3		4		5		
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	
Very Satisfied	21.3	21.4	35.0	35.2	24.8	24.9	14.2	14.3	4.3	4.3	Very Dissatisfied

J6) In your opinion, is the overall level of communication and support currently being provided by the Department of Education's Loan Origination Center better than, worse than, or about the same as that provided during the 1996-1997 academic year?

T%	V%	
36.1	37.1	Better than 1996-1997
25.7	26.4	Worse than 1996-1997
35.6	36.5	About the same

SECTION IV—DIRECT LOAN INSTITUTIONS
INFORMATION AND SUPPORT FROM THE DEPARTMENT OF EDUCATION, LOAN ORIGINATION CENTER, OR ED SERVICER *(CONTINUED)*

J7) **How satisfied are you with the communications and support you have received from the Department of Education's loan servicer during the 1997-1998 academic year?** ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, please circle your level of satisfaction.)***

	1		2		3		4		5		
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	
Very Satisfied	16.3	16.4	40.8	41.0	28.1	28.2	11.2	11.3	2.0	2.0	Very Dissatisfied

J8) **In your opinion, is the overall level of communication and support currently being provided by the Department of Education's servicer better than, worse than, or about the same as that provided during the 1996-1997 academic year?**

T%	V%	
28.5	29.2	Better than 1996-1997
14.5	14.8	Worse than 1996-1997
54.8	56.0	About the same

J9) **Below is a list of possible interactions with the Department of Education's Loan Origination Center. In the appropriate column:**

a) **Please check the two interactions that you are most satisfied with.**

b) **Please check the two interactions that you are least satisfied with.**

Types of Interaction	Most Satisfied		Least Satisfied	
	T%	V%	T%	V%
Loan origination	40.8	42.1	3.7	3.9
Estimation and drawdown	17.3	17.8	3.4	3.6
Loan changes and cancellations	15.7	16.2	18.1	19.1
Reconciliation	3.5	3.6	35.5	37.5
Processing deferments	3.8	3.9	7.4	7.8
Loan servicing	10.8	11.2	8.8	9.3
SSCRs	5.0	5.2	17.8	18.8

J10) In the table below, please rate your level of satisfaction with the timeliness and clarity of the Department of Education's regulations/guidelines. ***(Use a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or NA for not applicable.)***

	Clarity											
	1		2		3		4		5		NA	
Type of Guideline	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Loan repayment regulations	20.5	20.6	38.6	38.9	30.7	30.9	6.3	6.3	2.0	2.0	3.3	3.3
Consolidation guidelines	13.4	13.5	30.0	30.4	31.0	31.4	9.4	9.5	4.1	4.2	10.9	11.0

	Timeliness											
	1		2		3		4		5		NA	
Type of Guideline	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Loan repayment regulations	22.4	22.5	38.9	39.1	27.6	27.6	6.1	6.1	1.2	1.2	3.5	3.5
Consolidation guidelines	15.5	15.6	27.9	28.0	31.5	31.7	9.2	9.3	4.5	4.5	10.9	10.9

SECTION IV—DIRECT LOAN INSTITUTIONS
INFORMATION AND SUPPORT FROM THE DEPARTMENT OF EDUCATION'S REGIONAL OFFICE

J11) Which of the following regions is the location for the Department of Education's Regional Office for your institution? (Check only one response.)

T%	V%	
6.8	6.8	Region 1, Boston, MA
14.4	14.5	Region 2, New York, NY
11.2	11.3	Region 3, Philadelphia, PA
15.0	15.1	Region 4, Atlanta, GA
14.9	15.0	Region 5, Chicago, IL
5.3	5.3	Region 6, Dallas, TX
9.7	9.8	Region 7, Kansas City, KS
4.6	4.7	Region 8, Denver, CO
13.7	13.8	Region 9, San Francisco, CA
3.6	3.7	Region 10, Seattle , WA
0.8	0.0	Don't know / Not sure

J12) Has your institution had any contact with the Direct Loan Client Account Managers in the Department of Education's Regional Office for your area?

(*If you answer No, skip to Question K1*)

T%	V%	
78.1	78.6	Yes
21.3	21.4	No

If you answered "Yes," contact with Direct Loan Client Account Manager in J12:

J13) How would you describe the level of interaction between your institution and the Direct Loan Client Account Managers in your Regional Office? *(Check only one response.)*

T%	Y%	
21.4	21.4	Extensive interaction
52.2	52.3	Some interaction
26.2	26.3	Very little interaction

J14) Were the contacts with the Direct Loan Client Account Managers in your Regional Office initiated by your institution, your Regional Office, or both? *(Check only one response.)*

T%	Y%	
31.5	31.5	Institution
10.8	10.8	Regional Office
57.7	57.7	Both the Institution and the Regional Office

J15) The following is a list of possible reasons for contact with your Regional Office. For each item:

a) **Using a scale of 1 to 5, with 1 being very timely and 5 being not at all timely,** rate *(by circling the appropriate number)* the timeliness of the training/support you received in meeting your needs.

(Circle NA if you have not received the listed training/support from the Regional Office.)

	Timeliness											
	1		2		3		4		5		NA	
Contact With Regional Office	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Training received at the Regional Office (or at a designated facility)	30.0	30.1	24.5	24.6	12.7	12.7	2.1	2.1	1.5	1.5	28.8	28.9
Training/guidance delivered by Client Account Managers at your institution	20.1	20.2	16.7	16.8	7.4	7.4	3.2	3.2	1.9	1.9	50.3	50.5
Handling questions regarding Direct Loan policy	35.9	35.9	33.0	33.0	14.2	14.2	3.8	3.8	1.3	1.3	11.8	11.8
Entrance/exit counseling issues	14.2	14.2	9.7	9.7	9.1	9.1	1.7	1.7	0.0	0.0	65.3	65.3
Requests for ED-provided materials	28.3	28.4	17.8	17.8	9.7	9.7	2.7	2.8	0.8	0.8	40.4	40.5
Questions/issues regarding computer systems design or implementation	18.4	18.5	14.0	14.0	9.3	9.4	4.0	4.0	1.3	1.3	52.4	52.8
Questions/issues regarding loan origination	27.9	28.0	18.4	18.4	13.1	13.1	3.8	3.8	0.8	0.8	35.9	36.0
Questions/issues regarding disbursement and/or refunding of excess funds to borrowers	21.4	21.4	16.1	16.1	12.7	12.7	3.2	3.2	0.8	0.8	45.8	45.8
Reconciliation issues	23.9	24.0	20.3	20.4	15.2	15.3	8.0	8.1	5.1	5.1	26.8	27.0
Client Account Manager's liaison with servicer, loan originator contractor, or software contractor	29.2	29.2	25.8	25.8	11.6	11.7	3.8	3.8	1.3	1.3	28.1	28.2

J15b) **Using a scale of 1 to 5, with 1 being very useful and 5 being not at all useful,** rate *(by circling the appropriate number)* the usefulness of the training/support you received in meeting your needs.

(Circle NA if you have not received the listed training/support from the Regional Office)

	Usefulness											
	1		**2**		**3**		**4**		**5**		**NA**	
Contact With Regional Office	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**
Training received at the Regional Office (or at a designated facility)	31.1	31.2	24.3	24.4	10.4	10.4	3.4	3.4	1.5	1.5	29.0	29.1
Training/guidance delivered by Client Account Managers at your institution	21.8	21.9	16.5	16.6	6.1	6.2	3.4	3.4	1.9	1.9	49.7	50.0
Handling questions regarding Direct Loan policy	39.1	39.4	30.0	30.2	12.9	13.0	3.4	3.4	2.1	2.1	11.8	11.9
Entrance/exit counseling issues	13.7	13.8	10.6	10.6	7.4	7.4	2.1	2.1	0.4	0.4	65.1	65.5
Requests for ED-provided materials	31.9	32.2	15.9	16.0	8.7	8.7	1.9	1.9	0.6	0.6	40.2	40.5
Questions/issues regarding computer systems design or implementation	16.9	17.0	13.5	13.6	10.6	10.6	4.2	4.3	1.5	1.5	52.8	53.0
Questions/issues regarding loan origination	28.1	28.2	18.6	18.7	13.1	13.2	3.0	3.0	0.8	0.8	35.9	36.1
Questions/issues regarding disbursement and/or refunding of excess funds to borrowers	21.6	21.7	14.8	14.9	14.4	14.5	2.1	2.1	0.8	0.8	45.5	45.8
Reconciliation issues	24.1	24.3	20.9	21.1	14.0	14.1	7.2	7.2	6.1	6.2	26.8	27.1
Client Account Manager's liaison with servicer, loan originator contractor, or software contractor	29.0	29.1	22.2	22.3	13.3	13.4	4.4	4.5	2.1	2.1	28.3	28.5

SECTION IV—DIRECT LOAN INSTITUTIONS
INFORMATION AND SUPPORT FROM THE DEPARTMENT OF EDUCATION'S REGIONAL OFFICE *(Continued)*

J16) How satisfied are you with your Regional Office's Client Account Manager's knowledge of financial-aid policies and procedures? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or* NA *for not applicable,*** *please circle your level of satisfaction.*

	1		2		3		4		5		NA		
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	
Very Satisfied	42.7	43.1	33.6	33.9	16.9	17.1	3.2	3.2	1.3	1.3	1.5	1.5	Very Dissatisfied

SECTION IV—DIRECT LOAN INSTITUTIONS
OVERALL IMPRESSIONS OF THE DIRECT LOAN PROGRAM

K1) Please review the statements about the Direct Loan Program listed below. Then in the appropriate column, check whether you **agree** or **disagree** that the statement is a characteristic of the Direct Loan Program.

	Agree		Disagree	
Direct Loan Program Characteristics	T%	V%	T%	V%
Borrowers are served well through the Direct Loan Program	89.6	90.3	9.6	9.7
The Direct Loan Program is simple to administer	63.3	63.9	35.7	36.1
The future of the Direct Loan Program is secure.	66.7	68.1	31.2	31.9
The availability of loan funds is predictable in the Direct Loan Program	84.3	85.0	14.9	15.0
The Direct Loan Program is cost-effective to administer	72.1	73.1	26.6	26.9
The Direct Loan Program provides advanced technology	85.3	86.3	13.5	13.7
The flexibility of loan repayment options is beneficial to borrowers	97.0	97.5	2.5	2.5

K2) Please rate your general satisfaction with the Direct Loan Program during the 1997-1998 academic year. **(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied,** *circle your level of satisfaction.*)

	1		2		3		4		5		
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	
Very Satisfied	28.5	28.6	42.1	42.2	17.7	17.7	8.4	8.4	3.0	3.0	Very Dissatisfied

K3) Compared to the 1996-1997 academic year, has your overall level of satisfaction with the Direct Loan program increased, decreased, or remained the same?

T%	V%	
33.9	34.1	Increased
16.5	16.6	Decreased
48.9	49.3	Remained the same

K4) What is the most important advice you would give another institution that was preparing to implement the Direct Loan Program? (OE3)

%	
12.0	Get All Training Available/attend All Workshops
10.6	Have Adequate Computer Support/technician
9.2	Be Sure to Have Adequate Staff(general)
8.9	Plan Ahead
8.1	Other
7.5	Need Adequate Technology
7.3	Be Sure to Have Institutional/ Administrative Support
3.6	Create an Implementation Plan and Test it
3.4	Get Advice/support from Other DL Schools
3.4	Go for it
2.8	DL Is Less Work/easier to Administrate
2.8	Don't Do it /Stay with FFEL
2.5	Obtain Adequate Computer Training
2.2	Choose Software Carefully
2.2	DL Requires More Effort /Difficult to Administrate
2.0	Keep Reconciliation up to Date
2.0	Pay Close Attention to Reconciliation Process
2.0	Resolve Problems as They Arise
1.7	Be Prepared for Lengthy Training/implementation
1.4	Designate One Person to Administer Program
1.1	Provide Funding for Training and Technological Upgrades
0.8	Good Record Keeping and Organization Is a Must
0.8	Train More Staff
0.8	Expect Long Delays/(LOC-prom Notes-disbursements)
0.8	Don't Rely on the LOC

K5) What specific recommendations would you give to the Department of Education on how to improve the Direct Loan Program? *(List up to two recommendations.)* {OE4}

%	
18.4	Other
14.7	Improve/simplify reconciliation
11.1	LOC personnel must be better trained/more technical support
8.6	Better/faster ED software
8.4	LOC customer services need improvement
4.8	Don't change the LOC again
2.9	More on-site visits from ED/ Regional acct managers
2.9	Better quality phone services
2.9	Improve SSCR reporting
2.9	Increase training for schools
2.9	Better notification from ED on software problems
2.0	Return to original loan servicer-Utica
2.0	Don't base servicer contract on lowest bid
1.8	Need better consolidation services
1.8	Fewer software changes/upgrades
1.4	Better integration of ED and commercial software
1.4	More flexibility to LOC for manual intervention
1.4	Need accurate/up to date student loan information
1.1	More communication between schools and loan servicer concerning default issues
1.1	Development of software for mainframe operating system
1.1	Better entrance/exit videos
0.9	Improve handling of technological issues
0.9	Better/faster communication with LOC
0.9	Quicker Plus loan decision-making process
0.7	Better testing of ED software
0.7	Advanced/specialized training for reconciliation

K6) Does your institution originate Direct PLUS loans?

(If you answer No, skip to Question K9)

T%	V%	
81.2	81.5	Yes
18.5	18.5	No

SECTION IV—DIRECT LOAN INSTITUTIONS
OVERALL IMPRESSIONS OF THE DIRECT LOAN PROGRAM *(Continued)*

If you answered "Yes," originates Direct PLUS loans in K6:

K7) How would you characterize the level of work or staff effort needed to **administer** the PLUS Direct Loan Program? *(Check only one response.)*

T%	V%	
23.4	23.5	Very easy to administer
39.6	39.9	Relatively easy to administer, with a few areas that require a high level of effort
25.8	26.0	A moderate amount of effort is required overall
7.9	8.0	Relatively labor intensive to administer, with many areas that require a high level of effort
2.6	2.7	Very labor intensive to administer

If you answered "Yes," originates Direct PLUS loans in K6 (continued):

K8) Please indicate your satisfaction with each of the following activities or communications associated with the administration of the **Direct PLUS** loans. ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or* NA *for not applicable,** please circle your level of satisfaction.)*

Direct PLUS Loan Activities and Processes	Very Satisfied 1		2		3		4		Very Dissatisfied 5	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Overall satisfaction	27.0	27.2	46.5	46.8	21.3	21.5	3.5	3.5	1.0	1.0
Communications with borrowers	21.0	21.3	40.8	41.4	29.2	29.6	6.1	6.2	1.4	1.4
Level of effort expended by financial-aid office and other offices	24.6	24.8	45.3	45.7	21.7	21.9	6.3	6.4	1.2	1.2
Application processes	31.3	31.7	40.2	40.7	21.5	21.8	4.9	4.9	0.8	0.8
Credit checks and reporting of credit information	16.5	16.7	32.9	33.4	30.7	31.1	11.9	12.1	6.6	6.7
Fund disbursement and refunding excess loan funds	30.7	30.9	44.8	45.2	20.2	20.4	2.7	2.7	0.8	0.8

SECTION IV—DIRECT LOAN INSTITUTIONS
OVERALL IMPRESSIONS OF THE DIRECT LOAN PROGRAM *(Continued)*

K9) In the space below, check whether you are offering both Direct Loans and FFEL in 1997-1998 or offering only Direct Loans. Then rate the items corresponding to that column only, as indicated by the arrow.

IF OFFERING ONLY DIRECT LOANS, CHECK HERE AND ***ANSWER COLUMN A*** BELOW

T%	V%
73.1	73.3

What factors influenced your decision to be exclusively Direct Loan? Rate each item below regarding its influences or importance in the overall decision	**Rating**							
	1 Very Important		**2 Somewhat Important**		**3 Not at all Important**		**NA Not Applicable**	
	T%	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**
Did not want to confuse borrowers by offering two loan programs.	67.0	67.8	21.0	21.2	5.6	5.7	5.2	5.3
Did not want the complexity of administering two programs simultaneously	81.3	82.2	11.7	11.9	2.5	2.5	3.4	3.4
Did not want to continue to administer the FFEL Program	37.5	38.1	23.0	23.4	19.0	19.3	19.0	19.3
Wanted to avoid cash management problems associated with the FFEL Program	29.1	29.6	22.3	22.7	26.0	26.4	21.0	21.3
Wanted to avoid uncertainty of participation in FFEL	16.0	16.3	14.4	14.7	38.8	39.4	29.1	29.6
Other (Specify):	15.1	89.3	0.2	1.3	0.2	1.3	1.4	8.0

(If you answered Column A, please skip to Section V)

IF OFFERING BOTH DIRECT LOANS AND FFEL, CHECK HERE AND ***ANSWER COLUMN B***, BELOW

T%	V%
26.6	26.7

What factors influenced your decision to continue participation in FFEL? Rate each item below regarding its influences or importance in the overall decision.	**Rating**							
	1 Very Important		**2 Somewhat Important**		**3 Not at all Important**		**NA Not Applicable**	
	T%	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**
Did not want to confuse borrowers who already had FFEL loans	46.6	49.0	23.6	24.8	11.2	11.8	13.7	14.4
Wanted to delay full commitment until the Department of Education has gained experience with the new program	22.4	23.5	21.1	22.2	22.4	23.5	29.2	30.7
Wanted to learn how to implement the program with a control group before committing all borrowers	26.1	27.5	18.6	19.6	17.4	18.3	32.9	34.6
Wanted to maintain relationships with lender(s) and/or guarantor(s)	43.5	45.8	25.5	26.8	9.9	10.5	16.1	17.0
Wanted to keep graduate/professional students in the FFEL Program	11.2	11.8	4.3	4.6	11.2	11.8	67.7	71.7
Wanted to keep FFEL PLUS	26.1	27.5	22.4	23.5	19.3	20.3	27.3	28.8
Other (Specify):	15.5	89.3	0.6	3.6	0.0	0.0	1.2	7.1

SECTION IV—DIRECT LOAN INSTITUTIONS
OVERALL IMPRESSIONS OF THE DIRECT LOAN PROGRAM *(Continued)*

If you answered Column B, "offering both Direct Loans and FFEL," in Question K9:

K10) Which of the following statements best describes your plans for continued participation in both the FFEL and the Direct Loan Programs?

T%	V%	
62.1	62.1	Plan to continue to originate FFEL Staffords and FFEL PLUS loans
8.7	8.7	Plan to continue to originate FFEL PLUS only
5.0	5.0	Plan to continue to originate FFEL Staffords only
10.6	10.6	Plan to switch to exclusively Direct Loan some time in the future
13.7	13.7	Don't know/Not sure

K11) For the following areas of FFEL Program administration, please rate any changes in FFEL since the introduction of the Direct Loan Program.

FFEL Program Administration	**Improved**		**Same**		**Worsened**		**DK/NA**	
	T%	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**
Student's access to loans	34.8	34.8	54.7	54.7	1.2	1.2	9.3	9.3
Ease of administration of FFEL	42.2	42.2	46.0	46.0	1.2	1.2	10.6	10.6
Service from banks/guarantee agencies	63.4	63.4	25.5	25.5	1.2	1.2	9.9	9.9
Service from loan servicers/collection agencies	41.0	41.0	44.7	44.7	1.9	1.9	12.4	12.4
Service from your third party or privately contracted servicers	19.3	19.3	34.8	34.8	1.9	1.9	44.1	44.1

SECTION V—SURVEY ISSUES

L1) Do you have any suggestions or comments on this survey? {OE5}

THANK YOU VERY MUCH FOR TAKING THE TIME TO FILL OUT THIS QUESTIONNAIRE.

Appendix E

Survey Methodology

Survey Methodology

Sample Design

The sample for the 1998 institutional survey was derived from two sources:

1) The 112 First Year Direct Loan institutional campuses, selected by the Department of Education to achieve the mandated criteria for the first year of the program; and

2) The original sample of 3,059 FFELP institutions, randomly selected from a population of 5,720 schools in the FFELP sampling frame. This sample was stratified by school type and control, and by school size (small or large, as indicated by loan volume). The stating sample size included 395 institutions that were added to the originally estimated sample to allow separate estimates for two-year public and two-year private schools; and to include all HBCUs in the sample. A complete description of the sample design for the institutional survey is presented in the Sample Design Report for the Institutional Survey (January 18, 1995).

Data Collection Methodology/Response Rate

The 1998 institutional survey was conducted using a mail survey methodology, with an option of completing the questionnaire via our Computer Assisted Telephone Interview (CATI) operations in Vermont. Data collection for the survey began on January 27, 1998 and continued through May 8, 1998. Extensive telephone and mail follow up procedures were implemented in an effort to achieve the highest possible response rate.

The overall survey response rate was 86 percent, based on 2,256 responses from 2,611 eligible institutions. The response rate was 88 percent for First-Year Direct Loan schools, 83 percent for Second-Year Direct Loan schools, 77 percent for Third-Year Direct Loan schools, 80 percent for Fourth-Year Direct Loan schools, and 88 percent for FFEL schools. Detailed tables illustrating the number and percent of responses, the sample distribution and representation, and the response rate by institutional type and control, loan volume, and program type (including cohort-specific information for the Direct Loan schools) are included in Appendix B.[1]

Data Analysis

In order to obtain weights the institutions were classified by size, Type/Control, and first year program status. In addition, HBCU status was added to the classification for first year FFEL institutions where some HBCUs had responded. This resulted in a total of twenty-seven strata. In each stratum the institutions in the frame were classified into four categories:

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[1] Cohort-specific information for Fourth-Year Direct Loan schools are not presented in this report because only 25 of them were present in our sample, less than the 30 required to draw robust statistical inferences.

(1) Not in the initial sample
(2) Respondent
(3) Not in population
(4) Non-respondent, known to be in population

Within a stratum r= (n(2)+n(4))/(n(2)+n(3)+n(4)), where n(I) is the number of institutions in the stratum in category I, was used to estimate the proportion of the N institutions in the stratum that were actually in the population (i.e. active in one of the programs). Then (rN)/n(2) (or the estimated population of the stratum divided by the number of respondents from the stratum) became the weight for each institution in that stratum.

The unequal weights found in the sample led to the decision to obtain replication weights and to use a jackknife technique to obtain variance estimates and confidence intervals for various statistics. This was done by sorting the initial sample in random order within strata, and then dividing it into 200 groups by counting from the beginning, and assigning every subsequent case to a different group, returning to the first group every two-hundred cases. Then for each set of weights, a different group was treated as if it had not been in the sample and the weights were readjusted. The statistical package Wesvar was then used to conduct all the variance estimates and significance tests. One slight difference in the derivation of replication weights from the original sampling weights was the collapsing of some very small strata with only one respondent, to avoid bias due to non-representation of the stratum in a replication estimate.

Cross-tabs for the survey data were produced using the Statistical Analysis System (SAS) and significance tests were conducted using Wesvar. Whenever comparative findings between the Direct Loan and FFEL Programs are presented, tests for programmatic differences were done at the 5 percent level of significance *after* controlling for differences in both type and control and size among institutions participating in the same program. As a result, any observed differences can be attributed to actual programmatic differences, rather than differences in the composition of schools participating in the two programs.

Longitudinal Study

Since institutional surveys were administered in 1995, 1996, 1997, and 1998, intertemporal comparisons were made among both Direct Loan and FFEL institutions. However, before any statistical tests were conducted, institutions had to be weighted correctly for each year in which they responded. For each of the four years, we used the most up-to-date information available on program participation, resulting in a slightly different weighting methodology each year. Since the sample was drawn from NSLDS, in the first year we assumed that every institution was in-scope, and the respondents were simply weighed up to the population totals. In the second year, however, institutions were classified as being either in-scope or out-of-scope based on their responses, and for those institutions not responding, we used the percentage of out-of-scope responding institutions to estimate the number of out-of-scope, non-responding institutions. In the third and fourth year, institutions in the initial sample were classified as being in-scope or not using data from the NSLDS, subject to an override based on their actual response. However, in both years the percentage of unsampled institutions in scope was still estimated.

The third and fourth year weights were modified slightly to accommodate the need to have the same strata for all three years. As a result, some strata had to be collapsed. A jackknife procedure was then applied to the initial sample, and any institution dropped one year was dropped for all three years for each weight. However, rather than recalculate the weights, the original weights were simply adjusted by the stratum to the original sum of the weights. This procedure could miss some of the variance accounted for by adjusting for the estimate of number of institutions in scope, but this should account for a very small proportion of the total variance.

For the longitudinal analysis, cross-tabs were produced through SAS and significance tests were conducted using Wesvar. As with the 1997-98 analysis, whenever comparative findings between the Direct Loan and FFEL Program are presented, tests for programmatic differences were done at the 5 percent level of significance *after* controlling for differences in both type and control and size among institutions participating in the two programs. However, whenever within-program comparisons were made (e.g., among the various cohorts of Direct Loan schools), differences in both type and control and size were not controlled for since all institutions in a particular program operate under the same set of rules.

*U.S. Government Printing Office 1999 — 720-133